A **Differentiated** Approach to **Sustainability**

2020 Sustainability Report

APACHE CORPORATION

A **Differentiated**
Approach to Sustainability

Our purpose at Apache is to responsibly produce energy that elevates the lives of people across the world. We are committed to the health and safety of our coworkers, minimizing our environmental impacts, and supporting our communities. As we work to meet global energy needs, we look forward to continuously developing innovative and more sustainable ways to operate while delivering value to all our stakeholders.

WELCOME TO APACHE'S 2020 SUSTAINABILITY REPORT

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

OUR VISION

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

OUR MISSION

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

OUR CORE VALUES

— Safety is not negotiable and will not be compromised

— Expect top performance and innovation

— Seek relentless improvement in all facets

— Drive to succeed with a sense of urgency

— Invest in our greatest asset: our people

— Foster a contrarian spirit

— Treat our stakeholders with respect and dignity

— We derive benefit from the Earth and take our environmental responsibility seriously

— Conduct our business with honesty and integrity

2019 HIGHLIGHTS

46%
decrease in Total Recordable Incident Rate for employees and contractors since 2015

54%
decrease in Days Away, Restricted or Transferred Rate for employees and contractors since 2015

30%
of Board members are women

26%
increase in the U.S. female science, technology, engineering and math employee headcount since 2015

15,000+
girls educated in Apache-supported schools in Egypt since 2004, most of whom would otherwise not have had access to education

4.7 MILLION
trees donated since beginning the Apache Tree Grant Program in the U.S. in 2005

95%
of Apache's total water consumption in 2019 was nonfresh water

41%
decrease in global methane emissions intensity since 2015

Contents

2020 SUSTAINABILITY REPORT

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

MEDIA OR OTHER STAKEHOLDER INQUIRIES

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

Letter from the CEO

At Apache, we are a team of dedicated individuals who responsibly produce energy that elevates the lives of people across the globe. We are committed to the health and safety of our coworkers, minimizing our environmental impacts, supporting our communities and building a culture of integrity, accountability and transparency.

In this year's report, we share our perspective and progress on sustainability with summarized 2019 performance data and additional developments from 2020, a year in which we have all faced a number of significant challenges. We have taken proactive steps to protect our employees, our communities and our company from the global pandemic, a crisis that has served as a stark reminder of the essential things we need to keep life going and to help people grow and thrive in better times.

We've all had a role to play in response to the COVID-19 outbreak. Our industry — made up of the hardworking women and men producing and delivering natural gas and oil — has continued to safely and reliably supply the energy people need to get through this crisis. Manufacturers have ramped up production of critical equipment[1], and our industry has increased the supply of raw materials needed to make that equipment[2] — from masks to face shields to respirators. People have found new ways to work and stay connected, farmers and grocers continue to harvest and deliver food, medical personnel are there to provide care, and truckers move goods to keep the economy going — and our industry has stood behind them all, supplying energy

needed for electricity and the vast majority of transportation fuels globally.[3] These historic times emphasize the need for global energy supplies that are available 24 hours a day, 365 days a year.

Our response at Apache has been driven by our commitment to protecting the health, safety and wellbeing of our employees, contractors and communities while ensuring business continuity. Our teams have worked tirelessly to ensure our assets and equipment are functioning properly, our personnel remain connected, risks are identified and minimized, and the business keeps running effectively. I am tremendously proud of our team. They have demonstrated resiliency, talent, determination and a true commitment to our core values as we have all adjusted to new ways of getting the job done.

The past year also saw significant organizational changes at Apache. We challenged ourselves to design and implement a leaner, more centralized organization that's quick to adapt to business and market needs. The new organization ensures that the right people with the right skills are in the right positions working on the right projects, and we are already realizing the benefits. We responded to the unprecedented 2020

market dynamics quickly and confidently, and we are seeing excellent alignment and progress across the organization with regard to environmental, social and governance (ESG) strategy, management and performance.

We have spent considerable time talking about ESG issues — listening to stakeholders discuss what's important to them, keeping up with best practices and identifying areas where we can have the biggest impact. Through that process, we see an opportunity to focus our primary efforts on air, water and communities.

We view these as core issues, that, if properly addressed, can ensure a long-term, sustainable business for Apache and our stakeholders. For example, since 2015, we have increased our use of recycled produced water for hydraulic fracturing by 284%. We also continue to make progress reducing our emissions and saw an 8% reduction in global methane emissions intensity from 2018 to 2019.

In addition to our ongoing work in our communities, we've sought to address the most critical needs brought on by the pandemic. In Midland, Cairo, Paramaribo, Aberdeen and Houston, we've assisted those on the front lines through donations of personal protective equipment,

supported foodbanks and women's shelters, and provided reliable internet services for students.

Safety underpins our organization, and we will continue to work tirelessly to ensure every member of our team returns home safely at the end of each day. Over the last two years, we focused our efforts on two particular areas where improvements were needed: road safety and contractor safety. Our team's relentless efforts led to a 39% decrease in the vehicle incident rate from 2018 to 2019 and decreases in both our contractor total recordable incident rate and days away, restricted or transferred rate.

This year has brought increased discussion of the issues of diversity and racial justice. It is essential for our workforce to be representative of the global community in which we operate, and I believe that diversity is vital to our long-term success. There is more to be done, and, as I have shared with all of our employees, the path forward will require more listening, understanding and courageous conversations.

We prioritize hiring locally in the places where we operate. In 2019, approximately 99% of our workforce in the U.K. was local. In Egypt, our workforce was comprised of 77% local talent, and we continue to

recruit skill-ready Egyptian petroleum engineers and geologists to fill key roles. More than 30% of employees on Apache's U.S. payroll also self-identified as a member of an ethnic minority group, up from 25% at the end of 2015.

We also continue to invest in our workforce and are taking a holistic approach to career development by identifying and building specific core competencies, which will enhance career mobility within the new organization. We also stress the importance of continuous improvement at all career stages; our employees completed over 30,000 hours of training in 2019 through Apache Academy, our online learning and development program.

I invite you to read more in the pages ahead. Our industry must, and will, continue to bring people across the world reliable energy to help them reach new heights and embrace new opportunities. As we work to meet global energy needs, we look forward to continuously developing innovative and more sustainable ways to operate while delivering value to all our stakeholders.

John J. Christmann IV

John J. Christmann IV
Chief Executive Officer and President

[1] https://www.nam.org/two-manufacturers-make-personal-boxes-of-ppe-10094/?stream=business-operations, https://www.nam.org/protolabs-is-working-quickly-to-produce-medical-supplies-8909/?stream=business-operations, and https://corporate.ford.com/articles/products/ford-producing-respirators-and-masks-for-covid-19-protection.html.
[2] https://www.api.org/news-policy-and-issues/pandemic-information/industry-response#medical-supplies.
[3] https://afdc.energy.gov/data/10661.

Essential Energy: Our Vision for Global Recovery and Progress

The ongoing COVID-19 pandemic has served as a reminder of life's essentials — the things we need to keep life going and to help people thrive in better times. At the center of those essentials is energy. Energy helps to feed and educate, care for those who are ill and connect us to those we love. Energy keeps people warm on cold nights; powers manufacturing, transportation and jobs; and elevates people and their families to higher standards of living.

Yet many people in the world do not have ready access to energy or the opportunities and benefits that come with it. According to The Energy Progress Report 2020, nearly 790 million people around the world did not have access to electricity as of 2018.[1] About 2.8 billion individuals lacked access to clean cooking fuels that same year, a number that has remained basically unchanged for the past two decades, with new access only keeping up with population growth.[2] The U.N. says that, in addition to those without electricity, hundreds of millions more have only "very limited or unreliable electricity."[3]

Of 730 health centers in Cambodia, Ethiopia, Kenya, Myanmar, Nepal and Niger surveyed by the Multi-tier Framework of the World Bank, 25% of the facilities reported that they were unelectrified. There were also reliability and voltage fluctuation issues in each country, causing 25% to report that outages affected their ability to deliver services[4] and 28% to report they were hampered by equipment damage.[5, 6] The U.N. also notes that, for vaccines, maintaining a cold supply chain from manufacture to vaccination is critical.[7]

Energy poverty has very real implications for both long-term global development and the near-term COVID-19 response. It's clear that we need reliable electricity and transportation for the current battle against COVID-19, as well as for adequate health care in more normal times. It is also clear that we need affordable, reliable and cleaner energy supplies to advance the majority of the United Nations' Sustainable Development Goals over the long term.

[1] International Energy Agency (IEA), International Renewable Energy Agency (IRENA), U.N. Statistics Division (UNSD), World Bank and World Health Organization (WHO), 2020, *Tracking SDG 7: The Energy Progress Report*, Washington, D.C.: World Bank. https://trackingsdg7.esmap.org/data/files/download-documents/01-sdg7-executivesummary_0.pdf, p. 4.

[2] IIEA, IRENA, UNSD, World Bank, WHO, 2020, *Tracking SDG 7: The Energy Progress Report*. Washington, D.C.: World Bank. https://trackingsdg7.esmap.org/data/files/download-documents/01-sdg7-executivesummary_0.pdf, p. 6.

[3] https://www.un.org/sustainabledevelopment/energy/.

[4] IEA, et al., https://trackingsdg7.esmap.org/data/files/download-documents/tracking_sdg_7_2020-full_report_-_web_0.pdf, p. 36.

[5] IEA, et al., https://trackingsdg7.esmap.org/data/files/download-documents/tracking_sdg_7_2020-full_report_-_web_0.pdf, p. 36.

[6] https://mtfenergyaccess.esmap.org/methodology/electricity.

[7] https://www.unicef.org/supply/what-cold-chain#:~:text=lt.

Cairo, Egypt

FIGHTING ENERGY POVERTY AND ENABLING A CLEANER ENERGY FUTURE

Apache's products will continue to play a key role in providing the world with the energy required to enable human progress, prosperity, more sustainable development and a cleaner energy future.

Natural gas provides a significant opportunity to fight energy poverty while helping to address climate change. In addition to providing cleaner energy, natural gas plays a central role in enabling the wider use of renewables by providing flexible backup energy when sun, wind or other renewable sources are not active or can't meet peak demand. According to the Stanford Natural Gas Initiative, using natural gas "is the biggest opportunity" to reduce energy poverty because it addresses both pollution from coal-fired generation and power shortages.[8]

There is tremendous opportunity to reduce carbon emissions globally — predominately in China and India — by switching from coal to natural gas power plants; this has been achieved in the U.S., where clean and abundant natural gas has been the primary factor in reducing carbon dioxide emissions from electricity generation to the lowest levels in a generation.[9] Coal demand in China and India rose in 2018,[10] and Asia Pacific countries make up approximately 75% of global coal consumption.[11]

Natural gas is significantly cleaner than coal. A July 2020 study showed that U.S. liquefied natural gas (LNG) for electricity generation produces on average 50.5% fewer greenhouse gas (GHG) emissions over the full lifecycle in all base case scenarios studied, which includes emissions from shipping the LNG to replace coal in China, India and Germany.[12]

Thanks in large part to those attributes, the International Energy Agency projects greater natural gas demand in Asia Pacific and Africa — an increase of between 58% and 91% between 2018 and 2040 according to two scenarios in the World Energy Outlook 2019.[13]

We are reducing our own emissions to further improve the lifecycle GHG footprint of our products. As members of ONE Future, a coalition of companies in our industry, we have demonstrated that it's possible to achieve the aggressive, science-based goal of reducing methane losses to less than 1% of production across the natural gas value chain. In fact, in 2018, ONE Future member companies collectively achieved a methane leak/loss rate of just 0.552% across the entire value chain — surpassing the goal seven years ahead of schedule. Since 2015, Apache has reduced our own global methane leak/loss rate by 41% and our global GHG intensity by 9%.

NEW OPPORTUNITIES FOR WOMEN

Women and children stand to gain the most from access to modern energy solutions. Billions of people across the globe currently cook their meals with wood, dung and other fuels that have high emissions and negative health impacts.[14] Clean cooking fuels and electricity access reduce those health risks and lower women's and girl's disproportionate subsistence-related workloads while increasing their access to, and time for, education and other opportunities.[15] A study in Nicaragua showed that access to reliable electricity increases the tendency of women to work outside the home by approximately 23% due to more efficient domestic work with modern appliances.[16]

Thanks to expanded use of liquefied petroleum gas, natural gas and electricity, the number of people in developing countries with access to clean cooking grew by 60% from 2000 to 2016. The number of people cooking with coal and kerosene decreased by over 50% during that same time.[17]

POWERING HUMAN PROGRESS WHILE DRIVING PROSPERITY AT HOME

Apache and others in our industry are working to expand exports of our abundant natural gas and oil to provide cleaner, more reliable and more affordable energy; to reduce energy poverty; and to elevate people's lives around the world while bringing economic benefits here at home.

The natural gas and oil industry continues to drive economic prosperity in the U.S. through millions of jobs — and is also helping to address income inequality.

Furthermore, our industry continues to focus on the diversity of our workforce. Since 2015, Apache has increased the headcount of female science, technology, engineering and math (STEM) employees and those who self-identify as ethnic minorities by 26% and 22% respectively in the U.S.

[8] Stanford Natural Gas Initiative, 3/17, https://ngi.stanford.edu/sites/g/files/sbiybj14406/f/Framework_Gas_Energy_Poverty.pdf, p. 29.
[9] www.eia.gov/environment/emissions/carbon/ and https://www.aga.org/contentassets/4c04bee66b4648f086bcde31e4815e4e/building-the-value-of-natural-gas---a-fact-base-may-2020.pdf.
[10, 11] https://www.iea.org/fuels-and-technologies/coal.
[12] https://www.api.org/news-policy-and-issues/lng-exports/new-lifecycle-analysis-of-using-exports.
[13] https://www.iea.org/fuels-and-technologies/gas.
[14] IHS, *Minority and Female Employment in the Oil & Natural Gas and Petrochemical Industries*, 2015-2035, https://www.api.org/~/media/Files/Policy/Jobs/16-March-Women-Minorities-Jobs/Minority-and-Female-Employment-2015-2035.pdf.
[15] IEA, et al., https://trackingsdg7.esmap.org/data/files/download-documents/02-sdg7-chapter1-accesstoelectricty_0.pdf, p. 34.
[16] https://www.sciencedirect.com/science/article/abs/pii/S0305750X1200215X.
[17] https://www.iea.org/reports/energy-access-outlook-2017.

SUPPORTING SUSTAINABLE DEVELOPMENT

One way we organize our efforts to advance global progress and support sustainable development — and assess the effectiveness of our efforts — is by considering how our work supports the United Nations' Sustainable Development Goals (SDGs), a set of 17 goals and detailed targets that provide a roadmap for how to achieve a more sustainable future for all. In 2020, we will be aligning all of our community spend with the SDGs. In addition to the examples below, we have added an SDG index to this report in the appendix (see p. 129). Here are some examples of the goals we support.

3 GOOD HEALTH AND WELL-BEING

Good Health and Well-being (Goal 3) by supporting our employees in identifying community partnerships that promote wellness and healthy living. Our employees have access to a robust benefits platform, and we have implemented policies to cultivate a family-friendly work environment.

4 QUALITY EDUCATION

5 GENDER EQUALITY

Quality Education (Goal 4) and **Gender Equality (Goal 5)** through our Egypt schools program and other initiatives. We currently support more than 200 schools for girls in rural Egypt — schools in which more than 15,000 girls have received an education they would not otherwise have been able to access. In addition, Apache has increased the U.S. female STEM employee headcount by 26% since 2015.

6 CLEAN WATER AND SANITATION

Clean Water and Sanitation (Goal 6) through our efforts to protect water resources. Apache has a long track record of minimizing our use of fresh water — especially in water-scarce areas — and protecting water quality everywhere we operate. In 2019, 95% of the water we consumed for our operations was nonfresh water. Other ways we support the specific targets of SDG 6 include increasing water recycling and reuse, minimizing the use of potentially hazardous chemicals in our fracturing fluids and reducing the possibility for spills.

7 AFFORDABLE AND CLEAN ENERGY

Affordable and Clean Energy (Goal 7) by consistently working to expand access to clean natural gas and continually reducing the overall footprint of our operations. The use of natural gas, one of our primary products, has resulted in significant decreases in GHG emissions.

8 DECENT WORK AND ECONOMIC GROWTH

Decent Work and Economic Growth (Goal 8) by hiring locally with good-paying jobs and maximizing the local economic benefits we provide everywhere we operate. For example, in 2019, we spent nearly $1.6 billion with geographically local suppliers and contractors.

15 LIFE ON LAND

Life on Land (Goal 15) by protecting biodiversity on the lands where we operate. Perhaps our most well-known philanthropic effort to preserve and enhance life on land is the Apache Tree Grant Program, through which we have donated more than 4.7 million trees in 17 states since beginning the program in 2005.

SUSTAINABLE DEVELOPMENT GOALS

USING OUR GLOBAL PLATFORM TO DELIVER ON A POWERFUL VISION

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

We believe that energy is essential to advancing human progress and elevating quality of life around the globe. Natural gas and oil help people reach their full potential by powering and enabling countless machines, products and services we rely on every day, from food production, electricity, heat and transportation to supplying raw materials for medical equipment and phones.

We understand that the future success of our company hinges upon our ability to help meet the world's energy needs in ways that are innovative, safe, environmentally responsible and profitable — for the long-term benefit of all our stakeholders.

About Apache

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

OUR APPROACH

Apache continuously strives to drive sustainable development and human progress as we provide energy to communities around the world. As this report shows, we take a differentiated approach to finding, prioritizing and implementing innovative operational tactics that deliver shared value for Apache and our stakeholders. Our daily actions and decisions are guided by our vision to contribute to global progress and by our Core Values, including committing to uphold the health and safety of our team, stakeholders and communities; investing in our workforce; ensuring environmental responsibility; and acting with ethics and integrity.
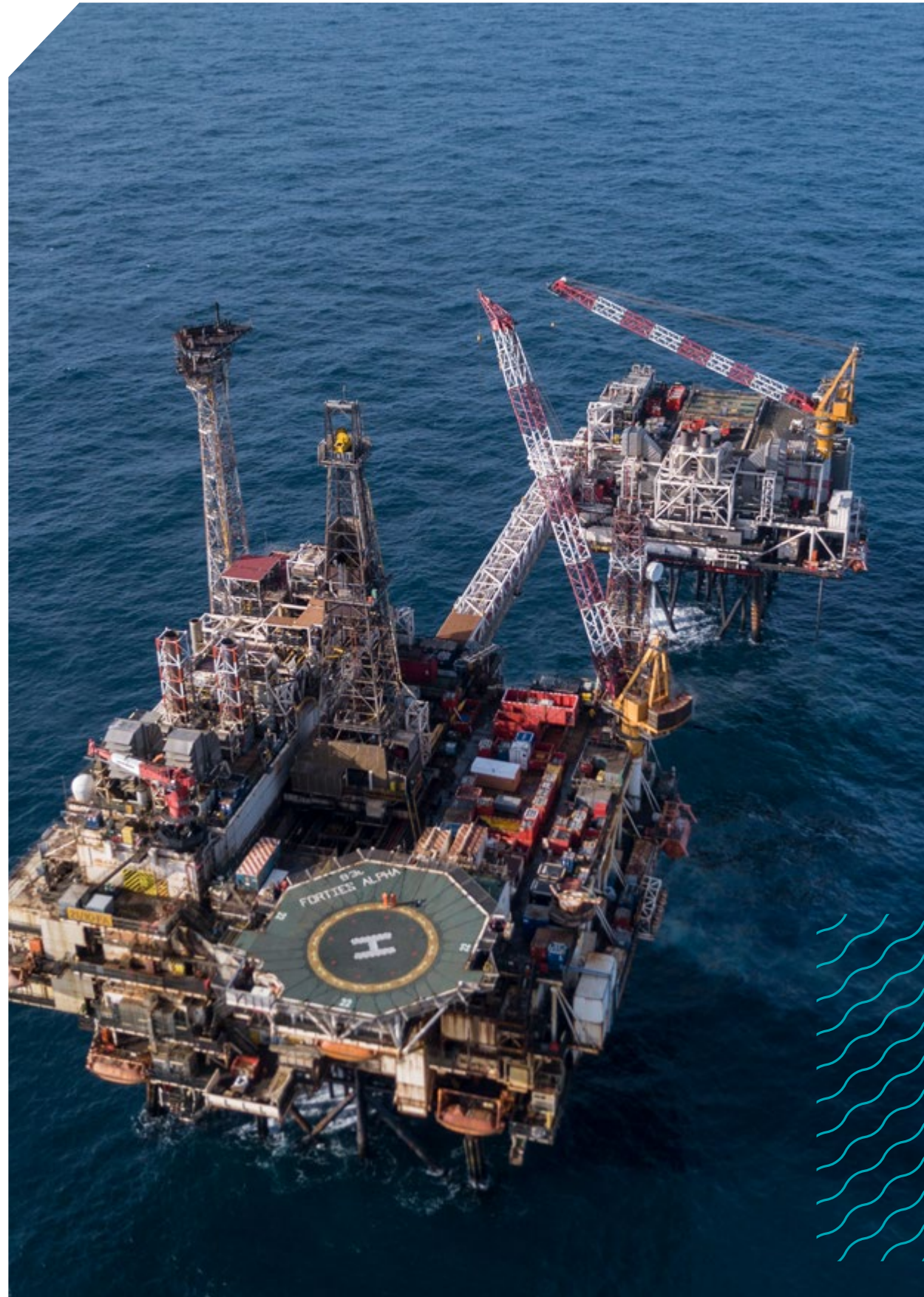
A Commitment to ESG Leadership

A lot has changed in the last year as our lives have been rocked by health, economic, social justice and geo-political seismic shifts. What has not changed is that the world's population continues to grow — even with the pandemic — and its needs for energy continue to increase. Even with the rapid proliferation of newer sources of energy, there is currently no clear time frame in which the kinds of energy Apache produces will no longer be critical to global needs, human wellbeing and political stability.

The world faces significant long-term challenges, such as those identified in the United Nations' Sustainable Development Goals. Apache understands the importance of these challenges and believes our greatest contribution to society and environmental, social and governance (ESG) leadership begins with the fundamental importance of our products to a prosperous society.

We believe that reliable and affordable energy is essential to advancing human progress, empowering people and elevating quality of life around the globe. Natural gas and oil help people reach their full potential by powering and enabling countless tools, products and services we rely on every day, from food production, electricity, heat and transportation to medical equipment and modern communication. Simply put, the world will not meet its sustainable development goals without natural gas and oil to power our global economy and without natural gas to replace coal for electricity generation in many locations across the globe.

Although looking ahead has become even more difficult in these uncertain times, we believe it is important to plan for a world that acts with enhanced urgency over carbon management and the preservation of finite natural resources. We are running our company to be financially sustainable in a carbon-and-resource-constrained future; we are also focused on how we operate to lead by example for environmental and social responsibility.

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

Given the critical role of energy, we want to be a part of the conversation and solution as society works to address the dual challenge of meeting growing global demand for reliable and affordable energy while also reducing environmental impacts. We also believe that as we consider our energy future, it is important to thoroughly understand, discuss and address the environmental externalities and risks associated with all forms of energy production and use, not just hydrocarbons.

We are committed to being a leader on the ESG issues most pertinent to and controllable by our company and have spent considerable time identifying areas where we can have the biggest impact.

We undertook a materiality assessment this year to make sure we heard and learned from some of the leading thinkers in the energy, environmental and social policy spaces. We have used this information to shape our program going forward.

One of the main conclusions from our materiality assessment is that, to make a difference in this world, we need to identify a few priorities over which we have the greatest ability to make a difference — and we have done this. In addition to our always-first focus on safety, we are focusing our primary efforts on air, water, people and communities.

For air-related issues, we intend to be at the forefront of the industry's efforts to measure, disclose and mitigate emissions. For water-related issues, we are focused on preserving freshwater resources and leveraging technology to maximize water reuse, including via our industry-leading produced water recycling program.

With regard to people and communities, we are focused on being welcomed in our local communities, providing jobs for local populations, creating a positive local impact and enabling community input. For our employees, we are focused on diversity and inclusion, health and safety, and benefits and training so that joining the Apache family is a positive experience for all the people whose lives we touch.

The foundation for our corporate governance is a Board of Directors with environmental and governance experience as well as industry and financial leadership, active Board oversight of key programs, long-term planning that includes ESG scenario analysis, and some of the most proactive shareholder and stakeholder engagement practices in the industry.

We believe each of these will contribute to our being able to thrive and make the world a better place even as the world and its energy needs continue to change.

BOARD MANAGEMENT OF ESG ISSUES

We know that culture — and performance — start at the top, so our Board of Directors is actively involved in ESG issues.

To foster ongoing engagement with, and education on, ESG issues, our Board of Directors receives regular reports and presentations on a range of sustainability issues, including but not limited to environmental, health and safety performance; greenhouse gas emissions and water usage; cybersecurity; and alignment with our Human Rights Principles. The Board regularly invites external experts on ESG issues to present to the Board to provide ongoing education and fresh insights.

Sixty percent of current Directors have experience with environmental and regulatory issues. For example, Amy Nelson has substantial water-related expertise and has been sought after by her clients in the energy services and equipment industry for this specific experience. Other Directors have acquired such experience through their service as executives in areas that require extensive interaction with regulatory and environmental agencies. (A comprehensive matrix on p. 117 provides additional details on the Board of Directors' experience and demographics.)

The Corporate Governance & Nominating (CG&N) Committee serves as a conduit for information on ESG issues to the rest of the Board. The CG&N Committee's annual calendar includes times at designated meetings for more in-depth discussion on a wide range of ESG topics. Our Board members, including our CEO, also engage directly with ESG-focused shareholders to gain external perspectives on key ESG issues and have attended and spoken at major ESG conferences, enabling further in-person discussion of these issues.

MANAGEMENT ENGAGEMENT ON ESG ISSUES

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

Members of Apache's Board, our CEO and management, and sustainability team members attend multiple meetings each year focused on a variety of environmental or social issues, including greenhouse gas emissions, climate change-related risks, corporate governance and human capital management. These engagements help us to better understand our shareholders' priorities, perspectives and areas of concern, while giving us an opportunity to elaborate on our initiatives and practices. We have continued to increase disclosure in this sustainability report, consistent with the significance of these matters to Apache given the scope and nature of our operations and existing practices.
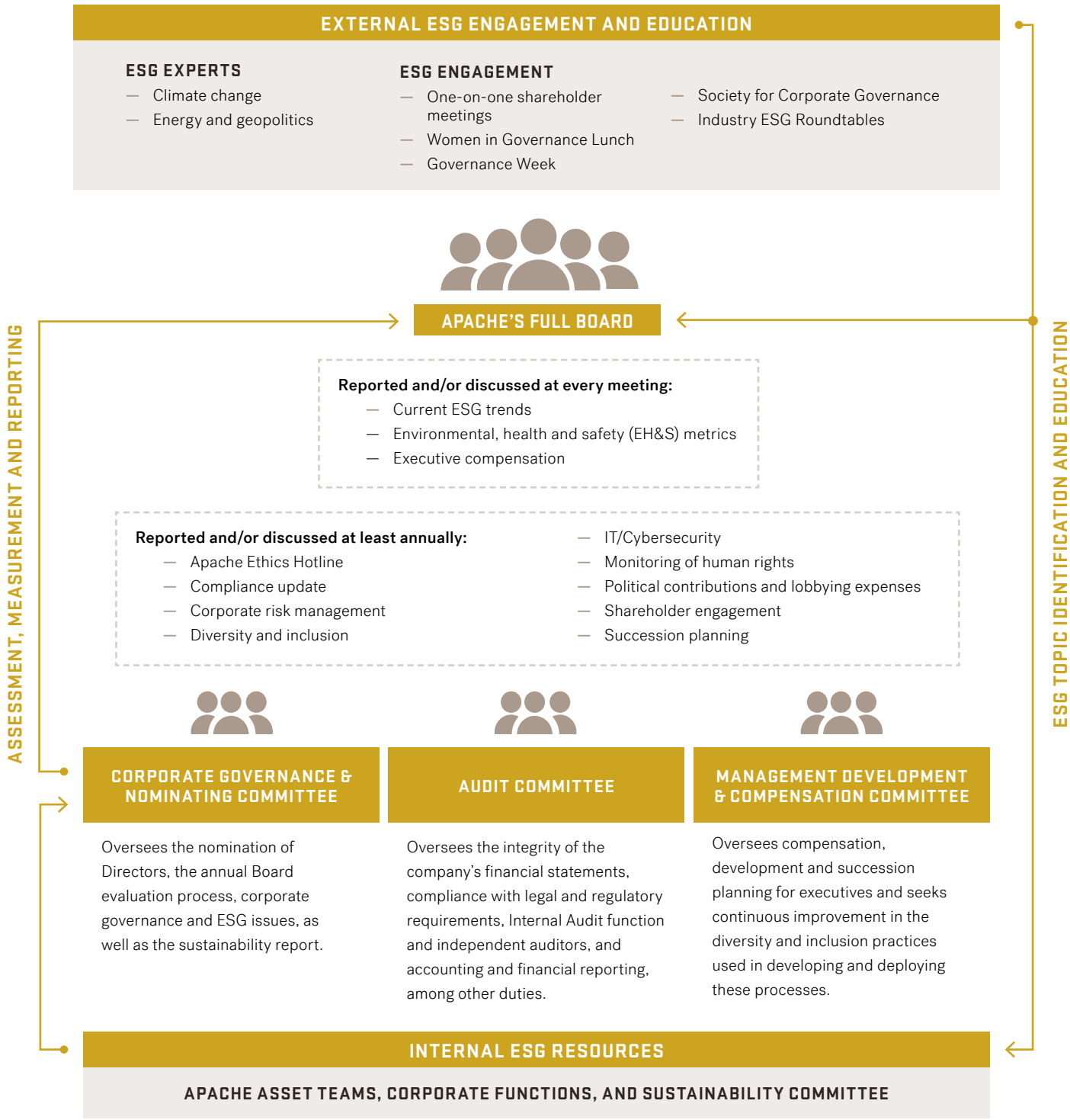
APACHE'S SUSTAINABILITY COMMITTEE

To further enhance the company's and Board's governance of ESG matters, we recently formed a Sustainability Committee composed of cross-functional management-level employees who are responsible for evaluating ESG risks and opportunities, overseeing ESG disclosures, promoting continuous improvement related to ESG performance across Apache, and reporting back to the chief executive officer and president.

ESG TOPICS REVIEWED AND DISCUSSED BY THE BOARD

Apache's Board has three standing committees, each devoted to a separate aspect of risk oversight. The Corporate Governance & Nominating (CG&N) Committee; the Audit Committee; the Management, Development & Compensation Committee (MD&C); and/or the full Board receive regular reports on ESG topics, including the company's management of and performance on a range of environmental, social and governance issues.

EXTERNAL ESG ENGAGEMENT AND EDUCATION

ESG EXPERTS
— Climate change
— Energy and geopolitics

ESG ENGAGEMENT
— One-on-one shareholder meetings
— Women in Governance Lunch
— Governance Week
— Society for Corporate Governance
— Industry ESG Roundtables

APACHE'S FULL BOARD

Reported and/or discussed at every meeting:
— Current ESG trends
— Environmental, health and safety (EH&S) metrics
— Executive compensation

Reported and/or discussed at least annually:
— Apache Ethics Hotline
— Compliance update
— Corporate risk management
— Diversity and inclusion
— IT/Cybersecurity
— Monitoring of human rights
— Political contributions and lobbying expenses
— Shareholder engagement
— Succession planning

ASSESSMENT, MEASUREMENT AND REPORTING

ESG TOPIC IDENTIFICATION AND EDUCATION

CORPORATE 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, 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.

INTERNAL ESG RESOURCES

APACHE ASSET TEAMS, CORPORATE FUNCTIONS, AND SUSTAINABILITY COMMITTEE

ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT AND GOVERNANCE

Apache's rigorous management systems, corporate goals and compensation metrics further support a focus and relentless pursuit of continuous improvement on ESG issues. Our management approach begins with a comprehensive and recurring process for identifying and mitigating ESG risks in order to stay on top of important issues and to have systems in place to avoid risks and maximize positive impacts.

Environmental, health and safety (EH&S) management at Apache is led by our vice president of EH&S, who reports directly to the executive vice president of operations. Our comprehensive policies, standards and practices, and work rules define workforce expectations and behaviors to

help ensure our people deliver premier performance on safety, environmental responsibility and ethical conduct. We employ procedures typical of our industry that are proportionate to the hazards involved.

Apache has a sophisticated, companywide system for EH&S incident reporting and response. Incidents are recorded and tracked in a reporting and management software system. They are categorized using a variety of criteria, including severity and event type, and, if applicable, are reported through a round-the-clock-staffed incident management center. Incident information is shared with relevant personnel, including, when appropriate, the Board of Directors. Each incident is actively managed through resolution of the event to assess and mitigate impacts, determine causal factors and report

externally, as needed. Lessons learned from each event are also shared throughout the organization through a software system through incident alerts.

To drive continuous improvement in EH&S activities, we establish yearly, companywide EH&S performance goals as a component of incentive compensation plans for all employees, from the field to the executive suite. For our 2020 annual incentive compensation plan, we have added a goal relating to greenhouse gas emissions, freshwater use, natural gas flaring, the United Nations' Sustainable Development Goals, and workforce training. This goal is in addition to a health and safety goal weighted at 10%. The combined weighting of these ESG-focused goals is 20%.
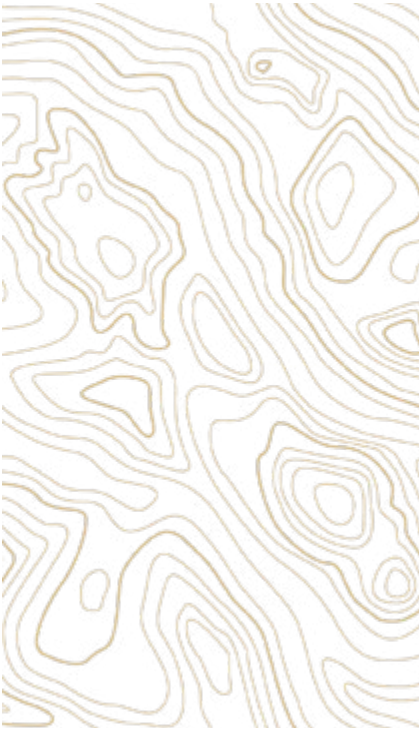
🔍 APACHE'S MATERIAL ISSUES[18]

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

Greenhouse gas/methane emissions and energy use

Water use and sourcing, water quality and wastewater management

Risk management

Proactive community engagement

Reputation/social license to operate

Impacts on community infrastructure

Employee and contractor health and safety

Sustainability, EH&S and social issue management

Local economic impacts

Regulation and compliance

[18] Issues are grouped by topical categories that align with Apache's approach to ESG issues, not in order order of importance or priority.

McDonald Observatory

ESG ENGAGEMENT

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

— As You Sow
— Aspen Institute
— Ceres
— Environmental Defense Fund
— Interfaith Center on Corporate Responsibility

— Investor Environmental Health Network
— McDonald Observatory
— Mitchell Foundation
— National Fish and Wildlife Foundation
— ONE Future Coalition

— Respect Big Bend
— Sustainability Accounting Standards Board
— The Nature Conservancy
— Truckers Against Trafficking

IDENTIFYING OUR MOST MATERIAL ISSUES

Three years ago, we conducted a materiality analysis to understand internal and external stakeholders' perspectives on the most important sustainability issues associated with our operations. The results of that analysis have remained relevant and helped guide the content of this report.

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

1. **Identify issues:** We identified our sustainability-related issues, impacts, benefits, risks and opportunities by interviewing a range of internal and external stakeholders, reviewing documents representing a wide variety of stakeholder views and interests, and reviewing peer companies' material issues. For our internal stakeholders, we considered the perspectives of employees from across our organization. Our external stakeholders included mainstream investors, ESG-focused investors, ESG-focused nonprofit organizations, community members and leaders in the areas where we operate, and

regulators. Based on these interviews and documents, we developed a comprehensive list of potentially important issues across an extensive suite of topics, including governance, potential to impact the environment and society, likelihood to influence stakeholders' decision-making and assessments of the company, and impact on Apache's financial performance.

2. **Prioritize issues:** We prioritized and revised the list of potential material issues based on the level of importance our internal and external stakeholders placed on those issues and the frequency with which they raised the issues. Issues were also prioritized based on their overall impacts and benefits on the environment, local communities, employees, contractors and financial performance.

3. **Review and revise:** We reviewed the initial prioritization with a range of internal stakeholders to confirm the accuracy of the material issue ratings and revised them as needed.

4. **Determine report content:** We used the final material issues list to evaluate whether we were adequately reporting on the issues that are most important to our internal and external stakeholders. Our analysis confirmed that the issues on which we have consistently reported are, in fact, the top issues of greatest concern to our stakeholders. We will continue to maintain or increase our reporting on these topics. In this year's report, for example, we have increased our level of disclosure on many topics found to be most important to our stakeholders, including water use and management; greenhouse gas emissions; and management of health, safety, environmental and social issues. We are also reporting on a range of issues that are important to Apache and our stakeholders but were not ranked at the highest level of importance by all groups. For example, we discuss how Apache is addressing the potential risks to our business associated with climate change.

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

Our Operations

Apache maintains a diversified asset portfolio, including conventional and unconventional, onshore and offshore, exploration and production interests in the U.S., Egypt's Western Desert, the U.K.'s North Sea, and Suriname. Our operating areas are generally grouped by geographical region.

In the U.S., our operations are primarily focused in the Permian Basin, which includes the Permian sub-basins of the Midland Basin, the Central Basin Platform/Northwest Shelf and the Delaware Basin. Examples of shale plays within this region include the Woodford, Barnett, Pennsylvanian, Cline, Wolfcamp, Bone Spring and Spraberry. We also have operations in the Eagle Ford shale in East Texas and in the Gulf of Mexico and along the Gulf Coast.[19]

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

| Operational Highlights	Oil & NGL Production (Bbls/day)	Natural Gas Production (Mcf/day)	Proved Reserves (Mboe)	Gross Acreage* (in thousands)
United States	173,432	639,580	684,053	5,204
Egypt	85,548	285,972	191,508	5,122
United Kingdom	51,485	54,642	135,227	419
Other International	0	0	0	2,308

* Developed and undeveloped

Key

Bbls = barrels
Mbbls/d = thousand barrels per day
Mboe = thousand barrels of oil equivalent
Mcf = thousand cubic feet

MMboe = million barrels of oil equivalent
MMcf/d = million cubic feet per day
NGL = natural gas liquids

2019 OPERATIONAL OVERVIEW

310 Mbbls/d
Oil and NGL production

980 MMcf/d
Natural gas production

1,011 MMboe
Proved reserves
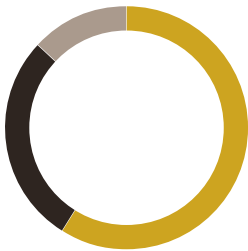
Production

- United States — 59%
- Egypt — 28%
- United Kingdom — 13%

Total Estimated Proved Reserves

- United States — 68%
- Egypt — 19%
- United Kingdom — 13%

UNITED KINGDOM

UNITED STATES

EGYPT

SURINAME

[19] During 2019, Apache divested its assets in the Granite Wash, Tonkawa, Marmaton, Cleveland and other formations of the western Anadarko Basin; the Canyon Lime formation in the Texas panhandle; and the Woodford-SCOOP and STACK plays located in central Oklahoma.

About this Report

This 2020 sustainability report covers Apache's performance in the areas of governance, environmental stewardship, health and safety, workplace and employee issues, and community involvement.

The report was prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (2016) at the core level. We also consulted the

Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2015) developed by IPIECA (the global oil and gas industry association for environmental and social issues), the American Petroleum Institute and the International Association of Oil & Gas Producers; the Sustainability Accounting Standards Board's *Oil and Gas Exploration and Production Sustainability Accounting Standard* (October 2018);

as well as the recommendations of the Task Force on Climate-related Financial Disclosures (2017). (See the Reporting Standards and Scorecards section starting on p. 119 for an index of indicators from these frameworks discussed in this report.)

Data included in this report cover the 2019 calendar year unless otherwise noted.

INCREASING TRANSPARENCY

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

— Climate change-related risk and opportunity management, including alignment with the Task Force on Climate-related Financial Disclosures' recommendations

— Environmental, social and governance framework

— Efforts to address the climate change-related risk of increased water scarcity

— Road safety programs

— Contractor safety and management

— Workforce development and engagement initiatives

ASSURING REPORT CONTENT

At Apache, we hold ourselves to a high standard of accuracy and excellence in all of our activities, including the content of this sustainability report. This report was 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 by our Internal Audit function (described on p. 28). The rigorous internal review included verifying data points and facts, providing accountability for the accuracy of this report.

ALTUS MIDSTREAM

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

Altus owns substantially all of the gas gathering, processing and transportation assets servicing Apache Corporation's production in the Alpine High play in the Delaware Basin and owns equity interests in four Permian-to-Gulf Coast pipelines, providing the company with fully integrated, wellhead-to-water connectivity.

Apache owns approximately 79% of Altus and oversees management of the company. In managing Altus, we are just as committed to protecting the health and safety of our workers, communities and the environment as we are at Apache. We also strive to go above and beyond by being good stewards of the land and partnering with local communities in the areas where we operate.

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

— Preventive maintenance programs
— 24-hour pipeline monitoring
— Ground surveys
— Aerial surveillance

— Cathodic protection to inhibit corrosion
— Inline inspections to ensure the integrity of pipelines

Read more on the Altus website at altusmidstream.com.

GPA MIDSTREAM ASSOCIATION

2019 GPA PERFECT RECORD AWARD RECIPIENT

Altus Midstream received the 2019 GPA Midstream 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.

Governance

A DIFFERENTIATED APPROACH TO GOVERNANCE

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

Improvements in Corporate Governance and Compensation Practices

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

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

— For our 2020 annual incentive compensation plan, we have added a goal relating to greenhouse gas emissions, freshwater use, natural gas flaring, the United Nations Sustainable Development Goals and workforce training. This goal, which is in addition to a health and safety goal, is weighted at 10%. The combined weighting of these environmental, social and governance (ESG) goals is 20%.

— Beginning with our 2019 annual incentive compensation plan, we added a strategic goal related to diversity and inclusion in science, technology, engineering and math (STEM) disciplines, building on the company's successful efforts in these areas.

— Commencing with our 2018 annual incentive compensation plan, we began to link compensation directly to the reduction of methane emissions intensity and freshwater usage.

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

— Maintaining separate chairman and chief executive officer (CEO) positions

— Selecting an independent, nonexecutive chairman

— Revising and expanding our Code of Business Conduct and Ethics

— Replacing our prior, internally hosted fraud line with the Apache Hotline, an externally hosted resource through which any person may report, anonymously if they so choose, suspected violations of law or Apache policies

— Adopting a set of Human Rights Principles and a Statement on Indigenous Peoples

— Further expanding our regular disclosure of political expenditures and lobbying contributions

— Undertaking extensive shareholder engagement practices

— Increasing Board diversity, such that now 40% of its members are diverse in terms of gender or ethnicity

— Increasing the long-term performance share award weighting for senior executives from 50% of the overall long-term incentive mix in 2018 to 55% in 2019 and further to 60% in 2020; commencing in 2019, we eliminated stock options from our long-term incentive compensation plan

— 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

20%
of the 2020 annual incentive compensation plan is tied to ESG goals

30%
of Board members are women

GOVERNANCE BREAKDOWN

CEO AND PRESIDENT

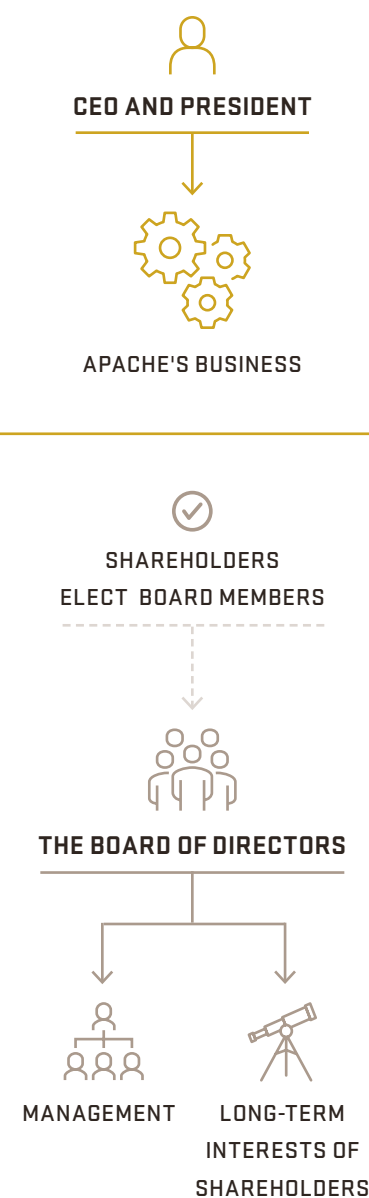**APACHE'S BUSINESS**

SHAREHOLDERS ELECT BOARD MEMBERS

THE BOARD OF DIRECTORS

MANAGEMENT **LONG-TERM INTERESTS OF SHAREHOLDERS**
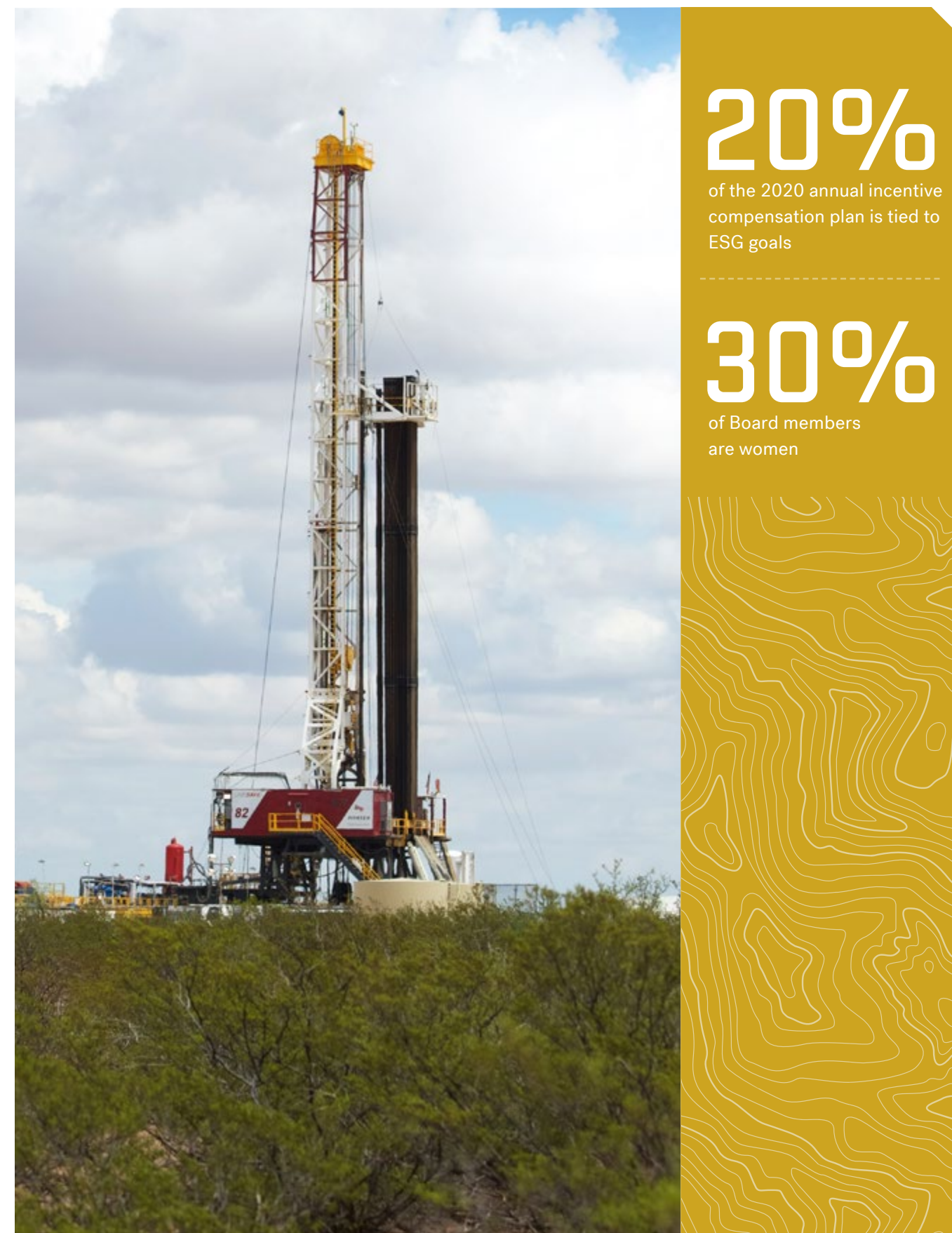
Corporate Governance

Apache's CEO and president directly oversees the company's business. The Board of Directors, which is elected by the company's shareholders, oversees management and assures that the long-term interests of shareholders are being served.

BOARD OF DIRECTORS

Apache's Board of Directors plays a vital role in the design, implementation and monitoring of our corporate governance practices. All of Apache's nonemployee Directors, including the Board chair, are independent under the standards relevant to the company: those of the NASDAQ National Market and the Securities and Exchange Commission. Board members are selected based on a wide range of criteria, including relevant expertise; dedication to the highest ethical, health, safety and environmental standards; and a willingness to question and challenge management.
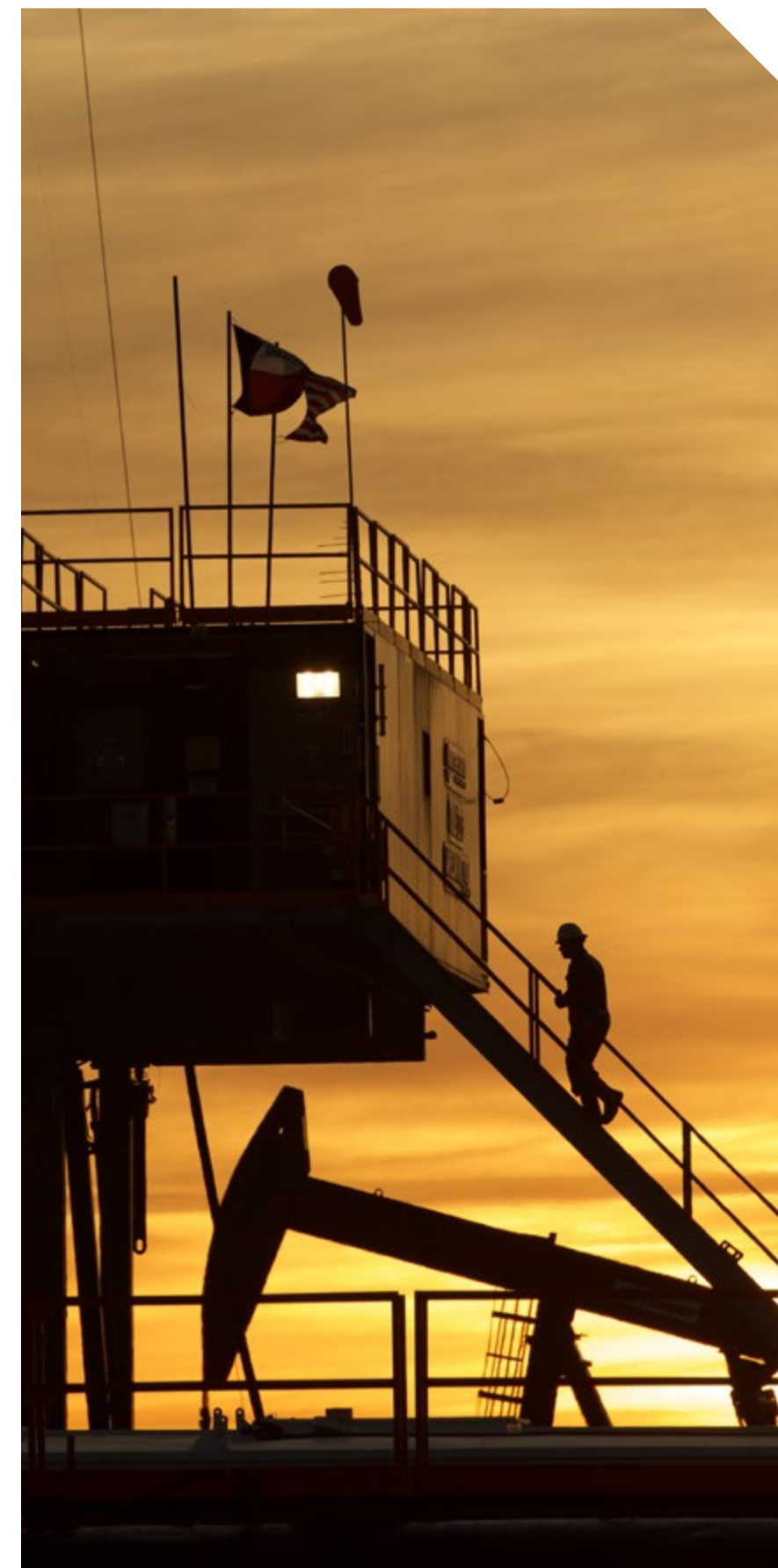
The Board's diversity encompasses — among other elements — race, gender, age and experience. Forty percent of Apache's Board members are female or ethnic minorities. These Directors play critical roles on our Board, including chairing the Corporate Governance & Nominating (CG&N) Committee and the Audit Committee, and taking a leading role in our shareholder engagement activities.

In addition to expanding the diversity of our own Board, Apache has been working to promote more women on public boards by coordinating the annual Women in Governance Lunch and Roundtable held during Governance Week, which facilitates networking among professional women and helps to disseminate best practices on environmental, social and governance (ESG) issues. Our annual participation, dating from 2012, was interrupted this year due to COVID-19; however, we have already commenced planning for the 2021 event.

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. In 2019, we added a new Board member through direct shareholder election, rather than the common practice of nomination for the first year of service, followed by a shareholder vote. As of May 2020, the Board's average term length is 5.6 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 that includes in-depth conversations and personalized feedback. In December 2018, the Board also engaged the National Association of Corporate Directors (NACD), which administered an independent Board evaluation through individual interviews with each Director and an online survey completed by each Director. After discussion with the independent nonexecutive chairman and the chairwoman of our CG&N Committee, the NACD facilitated a discussion of the results with the full Board.

ENTERPRISE RISK MANAGEMENT

Employees at all levels of the organization regularly work to identify and manage risk.

To support these efforts, we have a Corporate Risk Management Committee, made up of senior management, which ensures that procedures are in place for the corporatewide identification of nonoperational and operational risks. The committee also provides oversight of ongoing, companywide monitoring and management of risks. Committee members report to the Board of Directors' Audit Committee on aspects of risk management. The committee's chair also provides the Audit Committee with an annual update on the overall risk management process. The Corporate Risk Management Committee is supported by a centralized risk assessment function to ensure the regular and thorough review of nonoperational risks.

We are also continually improving risk management processes in our areas of operation. For example, in our North Sea operating area, in addition to our regular, ongoing risk management process, we commenced a process to identify the most critical tasks and assess where human

100+

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

error could occur in these tasks. As part of this extensive project, we are performing in-depth reviews of actual work processes in the field to identify opportunities for errors. Through this effort, we are seeking to develop and implement enhanced control processes to mitigate high-level risks. These controls may include improved training, equipment redesign, better labeling, enhanced procedural design and, where possible, elimination of certain tasks entirely.

INTERNAL AUDIT

Apache's Internal Audit group is an independent, objective assurance and consulting function designed to add value by assessing and improving the company's operations. The group applies a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls, governance and business processes. 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 and to ensure that every group or process is reviewed at least once every four years, with most reviewed more frequently. Examples of audits conducted include Apache's enterprise risk management processes, corporate and operating area supply chains, various operational and financial functions, information technology systems and processes, and governance practices. Our Internal Audit group also verifies all of the content and data in this sustainability report (see About This Report, p. 20).

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.

COMPLIANCE

The goal of Apache's Compliance and Ethics program is to support value creation in Apache's business 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 Apache has well-defined and articulated standards and procedures designed to prevent and detect misconduct. These standards, and specifically our Code of Business Conduct and Ethics, are illustrated through a wide range of examples to distill our overarching policies and standards down to real-world, on-the-job scenarios.

All Apache employees are required to participate in compliance and ethics training relevant to their work and have a responsibility to report any suspected misconduct or unethical or illegal activity. We have a new, online training module that allows us to provide training on several 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 easily digestible, mobile-accessible information in advance of any employee's international travel on Apache business.

We also continually reinforce key company policies through "compliance bulletins" that provide relatable examples and explanations of relevant internal policies and requirements in response to major national issues or internal investigations. For example, in response to the #MeToo movement, we reiterated our requirements for workplace conduct, providing employees with detailed guidance on inappropriate workplace conduct and how to report any behavior that appears to be inappropriate. We also report on internal investigations that include issues of broad applicability to ensure employees understand their obligations and requirements under applicable Apache policies.

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

To facilitate this reporting, we maintain the Apache Ethics Hotline, a 24/7/365 resource, externally hosted and managed by a third party, through which employees and external stakeholders may anonymously report any alleged violations of law or Apache's policies and standards of conduct. All concerns reporting potential misconduct involving any Apache representative —

Apache's Code of Business Conduct and Ethics is available in three languages: Arabic, English and Spanish.

whether received through the Apache Hotline or otherwise — are tracked and investigated by Compliance, with assistance as necessary from other functions throughout the organization. In addition to the Apache Ethics Hotline, the procedure to submit a complaint or concern regarding accounting, internal accounting controls, or auditing matters is available on our website.

All reported concerns about potential misconduct by an Apache representative are investigated by the director of Compliance and/or relevant personnel from Human Resources, Accounting, Forensic and Shared Audit Services, Legal and other departments. Concerns that may involve substantial risk to human health or safety; the potential for criminal liability or fines against Apache; potential anti-trust, 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 Apache's Board of Directors.

ETHICS AND ANTI-CORRUPTION

Apache's policy is to conduct business fairly, ethically and in compliance with applicable laws, regulations and other government requirements. Our Code of Business Conduct and Ethics requires

APACHE ETHICS HOTLINE
1-866-756-2599

not only the avoidance of misconduct, but also the avoidance of acts or omissions that give the appearance of misconduct.

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

All employees, as well as Apache's Board of Directors, receive training on the Code as part of the hiring and onboarding process and are then required to certify annually that they have read the

Code and fulfilled the requirements and expectations set forth in that document. Apache Board Directors, officers and employees are responsible for promptly reporting any actual, attempted or apparent violations of applicable laws, rules, regulations or our Code.

Additionally, Apache 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 in-person 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, Apache updated its conflicts of interest and gifts and entertainment policies and introduced a new disclosure module. We expanded the policies to underscore Apache's commitment to ethical conduct, honesty and transparency. These policies and disclosure requirements apply to all Apache employees worldwide.

We also worked with a third-party consultant to revamp the training and recertification process for the Code. In 2020, training will be 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 will work in tandem with Apache's 'A' Game learning system and notification process for all employees. The Code will be offered to employees in Arabic, English and Spanish, and the training modules will 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. Apache 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 wellbeing of our workforce and other stakeholders. Our public policy activities include education and advocacy efforts at the federal, state and local government levels.

Apache is committed to complying with all applicable state and federal rules pertaining to lobbying and

disclosures. Relevant reports regarding our activities are publicly available via the appropriate state websites; the Office of the Clerk, U.S. House of Representatives; the Secretary of the Senate, U.S. Senate; and the various state ethics commissions.

In addition to following external regulations, we 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., Apache may consider corporate contributions for direct expenditures and/or independent expenditures in support of candidates, ballot measures, inaugurations, political party conventions and/or causes that align with the company's business objectives. Contributions using corporate funds are reviewed and approved by the CG&N Committee of Apache's Board of Directors.

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

APACHE IS A TRENDSETTER IN POLITICAL DISCLOSURE AND ACCOUNTABILITY AMONGST ALL S&P 500 COMPANIES

4 YEARS IN A ROW

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.

CENTER FOR POLITICAL ACCOUNTABILITY

Wharton
UNIVERSITY of PENNSYLVANIA

The Carol and Lawrence
ZICKLIN CENTER
for Business Ethics Research

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 ApachePAC policy. All ApachePAC contributions are fully disclosed in reports filed with the Federal Election Commission (FEC) and the various state ethics commissions and can be accessed on the FEC's website at fec.gov and on the respective state websites

Trade Associations

Apache participates in trade and industry associations and engages directly in advocacy and grassroots

industry communications and education efforts. The company is actively involved in trade associations to share technical and standards expertise and to be part of important public education efforts regarding major issues of common concern to our industry.

Our participation in trade and industry associations is subject to management oversight by our Government Affairs function, which approves our memberships and serves as Apache's principal representative in such associations. Apache pays regular membership dues to several trade associations. Some utilize a portion of those dues for nondeductible state and federal lobbying and political expenditures. Per the requirements of Section 162(e)(1) of the Internal Revenue Code, such trade associations must

provide us with the percentage of our annual dues that are attributable to lobbying expenses. We disclose these contributions and post a report annually on our website.

Lobbying

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

IMPROVING 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 continuously working to reduce the risk of Apache becoming a victim of a cyberattack by improving our processes and providing additional protections where needed. Apache's Information Technology Security team is on the front line every day identifying, preventing and responding to potential cyberattacks that threaten our operations.

For example, we implemented multifactor authentication to internet-facing services such as Webmail, Citrix and VPN. We limited portable data devices, such as USBs, and now require encryption on all remaining devices. We expanded our email security systems, including tagging all external emails and providing additional training for employees on email security and phishing. New tools and policies implemented regularly increase the security of data on mobile devices.

To help ensure the ongoing strength and effectiveness of our efforts, cybersecurity is overseen at the Board level.

APACHE'S BOARD OF DIRECTORS

From left to right: Amy Nelson, Chansoo Joung, Peter Ragauss, John Christmann, Juliet Ellis, William Montgomery, Daniel Rabun, John Lowe, Annell Bay and Rene Joyce

Engagement

STAKEHOLDER ENGAGEMENT

Apache regularly engages with a wide range of stakeholders to gain insights into, and input on, issues, trends, best practices and specific stakeholder interests and concerns. 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. 94 to read more about our approach to stakeholder engagement.)

SHAREHOLDER ENGAGEMENT

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

Apache's 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 a number of governance conferences. In addition, Board members engage with shareholders individually throughout the year. Board members can also be contacted through our corporate secretary, who relays communications to them as appropriate.

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

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

In 2019, members of Apache's Board and management offered to meet with shareholders representing 77% of Apache's outstanding shares to gather feedback on our business strategy, corporate governance, executive compensation program and sustainability oversight. Ultimately, they met with shareholders representing 48% of outstanding shares. Based on feedback from these discussions, we have continued to increase disclosure in this sustainability report and in our proxy statement and have modified our compensation program, among other improvements.

STAKEHOLDER ENGAGEMENT OVERVIEW

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

Stakeholder Group	Engagement Methods	Read More in this Report
SHAREHOLDERS	Annual shareholder meeting Investor days and conferences ESG-focused investor meetings Governance conferences Ongoing one-on-one investor discussions	Shareholder Engagement, p. 33
EMPLOYEES	Ongoing employee trainings Quarterly employee town halls Regular leadership communications Employee satisfaction surveys	Learning and Development, p. 84 Employee Engagement, p. 92
LANDOWNERS AND MINERAL OWNERS	Ongoing engagement via our landmen Community grievance line and resolution process	Understanding and Addressing Community Concerns, p. 104
LOCAL COMMUNITIES	Local community outreach and philanthropy Community grievance line and resolution process Community open houses Local job fairs and other recruitment efforts	Philanthropy and Volunteering, p. 96 Understanding and Addressing Community Concerns, p. 104
SUPPLIERS AND CONTRACTORS	Contractor vetting process Ongoing contractor assessments Contractor engagement meetings	Contractor Management, p. 74
REGULATORS AND GOVERNMENT ENTITIES	Supporting regulatory development as relevant	Public Policy and Political Disclosures, p. 31
NGOS AND ACADEMICS	ESG investor engagement Research support and funding	Shareholder Engagement, p. 33 Environment, p. 36
LOCAL MEDIA	Regular contact with and response to local television stations, newspapers and radio stations	

GOVERNANCE DOWNLOADS

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

— Apache's Corporate Governance Principles

— Apache's Directors' and Officers' Stock Ownership Requirements

— Apache's Policy Regarding Margin Loans and Pledges by Directors and Officers

— Apache's Policy Prohibiting Hedging Securities by Directors and Officers

— Apache's Executive Compensation Clawback Policy

— Apache's Policy on Parachute Payments for Executives and Accelerated Vesting of Equity Upon Change in Control

— Apache's Policy on Political Contributions and Lobbying Disclosures

— Apache's 2019 Disclosure of Political Contributions and Lobbying Disclosures

— Apache's Code of Business Conduct and Ethics

— Procedures for the Submission of Complaints and Concerns Regarding Accounting, Internal Accounting Controls or Auditing Matters

— Apache's Human Rights Principles

— Apache's Statement on Monitoring Human Rights Principles

— Apache's Statement on Indigenous Peoples

Environment

A DIFFERENTIATED APPROACH TO ENVIRONMENTAL STEWARDSHIP

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

Environmental Protection: a Core Value

Protecting the environment is part of the mission and Core Values that guide Apache's daily work.

We seek to be premier in our approach to environmental management and protection by developing and implementing industry-leading methods for conserving water, reducing emissions and protecting land. All employees and contractors are expected to uphold this commitment, which is supported by a comprehensive team of Environmental, Health and Safety

(EH&S) professionals throughout the organization.

All Apache operating areas are required to follow our worldwide EH&S standards, which provide an overarching framework for conducting business safely and in a way that protects our workforce, communities and the environment.

See the Key Performance Data section (p. 114) for more on our efforts to reduce environmental impacts.

ENVIRONMENT BY THE NUMBERS

95%
of the water we consumed for our operations in 2019 was nonfresh water

284%
increase in our use of recycled produced water for hydraulic fracturing since 2015

8%
reduction in global greenhouse gas emissions intensity from 2018 to 2019

0.37%
In 2016, Apache set out to reduce our global methane emissions intensity to 0.37%. In 2019, we achieved this goal — six years ahead of schedule.

Air Emissions

Greenhouse gases (GHGs) are emitted during the production, processing and transportation of natural gas and oil.

We are committed to reducing these emissions in our own operations and collaborating with others in the industry to develop better approaches to emission reduction and leak detection.

REDUCING GHG EMISSIONS

We use a range of methods to minimize GHG emission leaks, such as the careful design and engineering of new facilities and preventive maintenance programs. We adhere to applicable design standards, follow recognized best engineering practices, and use equipment specifically designed to perform in severe service conditions in which the materials produced are high temperature, abrasive or corrosive.

Leak detection and inspections for compliance with associated rules and regulations are an ongoing and frequent part of Apache employees' on-site activities. New and existing facilities are inspected during regular operations. We strive to repair leaks at the time they are detected; when this is not possible, the leak is repaired when the required resources become available and safe operating conditions can be assured. Our preventive maintenance programs help to minimize leaks from equipment and preemptively identify maintenance issues or improperly functioning equipment by utilizing historical operational data to facilitate proactive upkeep, repair and replacement schedules.

> "We are actively working and committed to reducing GHG emissions in our operations."

Field employees are trained to perform olfactory, visual and audio (OVA) inspections for possible leaks as a part of their overall competency training. The illustration on the right describes the components of an OVA inspection.

As a part of our leak detection and repair (LDAR) program, we use optical gas imaging (OGI) cameras to examine all newly constructed facilities and identify and address any leaks before 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.

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 appropriately trained to interpret survey results and initiate next steps to determine the nature and source of an identified leak.

AIR EMISSIONS PERFORMANCE

We are working to decrease operational process-related GHG emissions and energy use by optimizing the efficiency of our operations. We seek to minimize emissions by reducing the venting and flaring of gas. We avoid directly venting natural gas wherever practicable. Also, we

OLFACTORY, VISUAL AND AUDIO INSPECTION

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

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

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

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. Where we have access to the electrical grid at well sites and facilities, we prefer to power operations using electricity rather than internal combustion engines, thereby reducing fuel consumption and on-site GHG emissions.

In 2019, we saw reductions in both our GHG and methane emissions intensities.[1] Overall, our emission performance improvements can be attributed to both optimizations of our operational profile and the implementation of operational best practices. For example, in one or more areas of Apache's operations, we:

— Continued to increase the use of electricity from the power grid to power well sites and facilities

— Focused on evaluating infield equipment usage against operational needs, which allows for identifying lower-emitting power sources such as solar-powered generators

— Increased access to infrastructure, resulting in less flaring

— Utilized technology to monitor operational conditions

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[1] 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 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.

Greenhouse Gas Emissions

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

The main 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 for use in its GHG reporting programs. The volume of each component gas — multiplied by its GWP — results in a calculated value of carbon dioxide equivalents (CO_2e) for that component.

APACHE EMISSIONS PERFORMANCE

9% decrease in global GHG emissions intensity since 2015
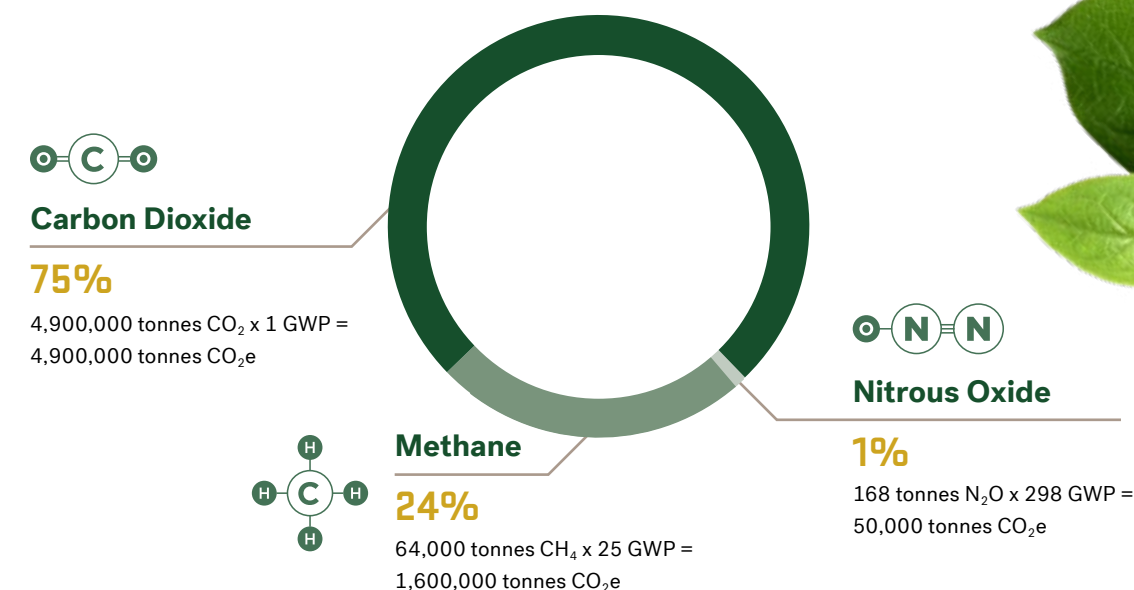
41% decrease in global methane emissions intensity since 2015

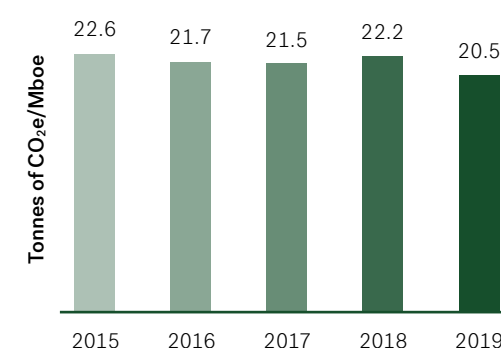## METHANE INTENSITY GOALS AND PROGRESS

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

8% reduction in global methane emissions intensity since 2018

APACHE 2019 GHG EMISSIONS = 6,550,000 tonnes CO_2e

Carbon Dioxide

75%

4,900,000 tonnes CO_2 x 1 GWP = 4,900,000 tonnes CO_2e

Methane

24%

64,000 tonnes CH_4 x 25 GWP = 1,600,000 tonnes CO_2e

Nitrous Oxide

1%

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

GLOBAL GHG EMISSIONS INTENSITY

Tonnes of CO_2e/Mboe

2015	2016	2017	2018	2019
22.6	21.7	21.5	22.2	20.5

GHG emissions intensity =

$$\frac{\text{Gross emissions in tonnes of } CO_2e}{\text{Gross production in Mboe}}$$

GLOBAL METHANE EMISSIONS INTENSITY[2]

Percentage rate

2015	2016	2017	2018	2019
0.63%	0.48%	0.42%	0.40%	0.37%
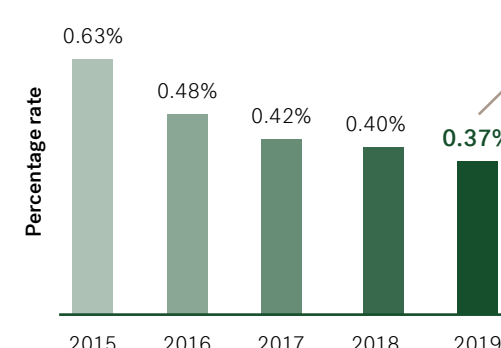
Methane emissions intensity =

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

OUR METHANE GOAL

ACHIEVED

In 2016, Apache set out to reduce our global methane emissions intensity to 0.37%. In 2019, we achieved this goal — six years ahead of schedule.

[2] We track methane emissions from natural gas and oil operations and include these emissions in our calculation of global methane intensity.

Reducing Methane Emissions Through Industrywide Initiatives

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

We are a charter member of the ONE Future Coalition, a group of 26 companies from across the U.S. natural gas value chain 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 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, Apache 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 within the next five years. As part of this program, we commit that repairs of any identified leaks will be completed within 60 days unless a delay of repair is required until the next scheduled shutdown or pending the availability of parts necessary for the repair. As of year-end 2019, 100% of our relevant U.S. sites had leak detection and repair monitoring in place, and 100% of detected leaks were fixed within the set timeframe. We conducted surveys at 250 sites in 2019.

2. Replace, remove or retrofit high-bleed pneumatic controllers with low- or zero-emitting devices within the next five years using alternative technologies such as continuous-low-bleed controllers, intermittent-vent controllers, electrically operated controllers and valve actuator or mechanical controllers, or compressed air to replace natural gas as the motive gas. 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 2019, we reported no unmanned manual liquids unloading processes for gas wells in our onshore U.S. operations, which reduced emissions.

Our Approach to Climate Change-related Risks and Opportunities

Identifying and managing potential risks and opportunities related to climate change is part of our ongoing enterprise risk management and business planning processes, which are overseen by senior management and our Board of Directors.

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

We are paying close attention and giving careful thought to the issue of climate change and its potential implications for Apache and our stakeholders. We recognize that investors are increasingly interested in how companies are assessing and managing climate change-related risks, especially those that may have financial implications. This growing interest is reflected in part in the development of the

Task Force on Climate-related Financial Disclosures (TCFD) and the increasing support for and use of its disclosure recommendations by the investment community and public corporations.

Over time, we have been increasing our disclosures regarding how we identify and address climate change-related risks. In this year's sustainability report, including in this section, we have further expanded our reporting and aligned it to the TCFD's recommendations to disclose information on climate change-related governance, strategy, risk management, and metrics and targets. (See p. 128 for an index of TCFD-related disclosures throughout the report.)

GOVERNANCE

Apache's Board of Directors and senior management are directly engaged in assessing and managing climate change-

related risks and opportunities. The Board's Audit Committee oversees our risk management process (described in more detail below and on p. 15), which includes management of climate change-related risks. The Corporate Governance & Nominating (CG&N) Committee oversees the company's management of, and performance on, environmental issues. In addition to the work of these committees, the full Board receives regular updates on climate change-related issues, including risk management and greenhouse gas (GHG) emission management and performance.

Apache's leadership considers environmental, social and governance (ESG) matters — including climate change-related issues — as part of its regular, ongoing efforts to identify, track and mitigate risk. Read more on our approach to ESG management on pp. 14-15. Commencing with our 2018 annual

incentive compensation plan, we began to link all employee incentive compensation directly to the reduction of methane emissions intensity and freshwater usage as part of our assessment of the environmental, health and safety (EH&S) goal. In 2020, we added a goal to our annual incentive compensation plan pertaining to GHG emissions, freshwater use, natural gas flaring, the United Nations Sustainable Development Goals, and workforce training. This goal is in addition to the health and safety goal weighted at 10%, making the combined weighting of ESG-focused goals equal to 20%.

STRATEGY

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

These include, but are not limited to, the following:

Risks

— Changes in regulatory frameworks that could impact the cost of our operations and/or products

— Changes in consumer demand and preferences

— Changes in investor assessments and requirements

— Competition from other energy sources

— Physical risks such as those that could occur from changing weather patterns

Opportunities

— Cost savings and/or revenue enhancements associated with new technologies that can make our operations more resource efficient

— Financial and reputational benefits associated with managing climate-related risks

— Increased investor demand and increased access to and reduced cost of capital

— Improved regulatory relationships associated with proactive, constructive engagement on regulatory issues and voluntary performance improvements

— Improved employee attraction and retention based on our track record as a responsible operator

Apache's Scenario Planning Framework

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

Given the dynamic nature of our business, scenario analyses are much better conducted over five-year, rather than 10-year, time frames. While we do our best

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

From an investment and a policy point of view, managing the life expectancy of our proved resource base is a key risk mitigant. A long-duration production cycle (and well inventory) could potentially increase risk to asset value and expose future capital invested to a greater risk of fluctuations in long-term hydrocarbon demand trends. This point is supported in IHS Energy's 2014 Deflating the "Carbon Bubble" report, which concludes that integrated oil and gas company investments face limited near-term carbon-related financial risk because "the intrinsic value of most publicly traded oil and gas companies is based primarily

on the valuation of proved reserves, 90% of which are expected to be monetized in the next 10–15 years."[3]

We also proactively manage our asset mix to further mitigate exposure to carbon risk. Our portfolio approach enables us to shift capital investment away from certain assets in response to changes in regulations, energy demand or other factors. Coupled with a relentless focus on being one of the lowest-cost and most resource-efficient operators in our industry, we believe this reduces carbon risk and helps to increase our potential as a premier corporate citizen.

Recent studies by the International Energy Agency (IEA) suggest that, even in a carbon-constrained future scenario, demand for natural gas will continue to grow for the next 10 years, and natural gas and oil will continue to make up approximately half of the overall energy mix for the next 20 years. These studies suggest that natural gas and oil will continue to play an important role for decades, even in a lower-carbon energy future.

We also believe that natural gas — an important part of our product portfolio — has a key role to play in helping to reduce global GHG emissions. According to the

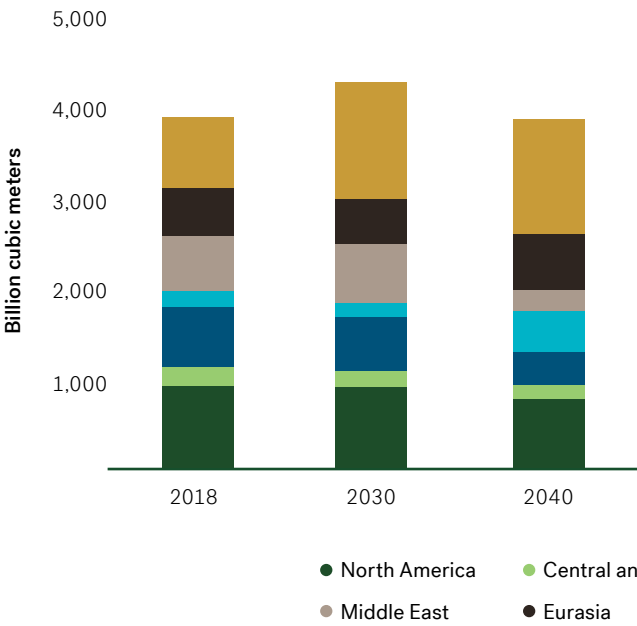[3] Meyer and L. Brinker, *Deflating the "Carbon Bubble": The Reality of Oil and Gas Company Valuation*, IHS, 2014, https://ihsmarkit.com/research-analysis/q22-deflating-the-carbon-bubble.html.

OUR SCENARIO PLANNING FRAMEWORK

1 Risk assessment

2 Oil and gas price scenarios

3 Strategy and planning

4 Capital allocation

IEA, global energy-related carbon dioxide (CO_2) emissions were flat from 2018 to 2019, even as the global economy grew by nearly 3%. The IEA notes that this decoupling of economic growth from CO_2 emissions is due in part to the increased use of natural gas in electricity generation.
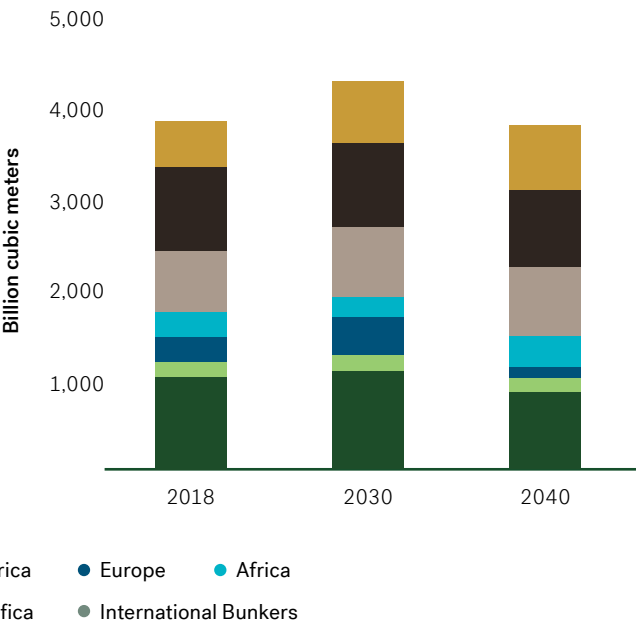
This trend was especially true in the U.S., where natural gas increased its market share of total electricity generation to a record high of 38% in 2019. The most recent report by the U.S. Environmental Protection Agency on GHG emissions also supports this point. According to this report, net GHG emissions in the U.S. decreased by 10% overall from 2005 to 2018, and CO_2 emissions from the electric power sector decreased by 27% during that same time frame, in large part due to the increased use of natural gas in electric power generation.[4]

PROJECTED DEMAND FOR AND PRODUCTION OF NATURAL GAS UNDER THE IEA'S SUSTAINABLE DEVELOPMENT SCENARIO[5]

GAS DEMAND BY REGION AND SCENARIO, 2018-2040

GAS PRODUCTION BY REGION AND SCENARIO, 2018-2040

- ● North America
- ● Central and South America
- ● Europe
- ● Africa
- ● Middle East
- ● Eurasia
- ● Asia Pacifica
- ● International Bunkers

[4] U.S. EPA, *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2018*, April 2020.

[5] IEA, *World Energy Outlook* 2019, https://www.iea.org/reports/world-energy-outlook-2019/gas#abstract/.

RISK MANAGEMENT

The results of our comprehensive scenario analyses are integrated into our overall risk management process, which includes senior managers and executives on the Corporate Risk Management Committee. This committee is overseen by our Board of Directors and the Board's Audit Committee (see more on pp. 27-28).

Apache also has a separate risk management function focused specifically on environmental, health and safety risks — including climate change-related risks. These formal risk management teams work together with all Apache employees to understand and mitigate risks across our operations. People at all levels of the company and in a wide range of departments — such as Planning, Operations, Facilities, EH&S, Marketing, Tax, Risk Management, Treasury, Public Affairs, Government Affairs and others — participate in carefully analyzing the potential impacts of climate change-related risks on our business to ensure rigorous and comprehensive risk management.

Managing Climate Change-related Risks and Opportunities

We are developing innovative approaches to operational processes that lower our costs, reduce our environmental footprint and maximize capitalization of natural gas in a lower-carbon energy future. For example, we are working to reduce fugitive methane emissions (see p. 41). We employ a leak detection and repair (LDAR) program using the latest equipment and technologies to reduce methane losses. We are also addressing GHG emissions from our operations by reducing flaring and powering our equipment with electricity, when practicable (see p. 41).

We also take very seriously, and are working to address, the potential physical impacts to our operations posed by climate change. For example, to mitigate the risk of reduced water supplies critical to our operations, we are continuing our efforts to maximize water recycling, especially in water-scarce areas (see pp. 52-55).

We are also collaborating with industry, government and nongovernmental partners to encourage others in our industry to reduce emissions and to develop more effective technologies to do so. Apache is a charter member of the ONE Future Coalition, a group of 26 companies from across the natural gas value chain that has achieved reducing methane losses to less than 1% of total methane production from the wellhead through to the point of use by 2025 — a science-based goal developed to support the ongoing climate benefits of natural gas. We have also joined the

Greener Chemicals for Hydraulic Fracturing

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

American Petroleum Institute's (API's) The Environmental Partnership, a group of U.S. oil and gas companies working together to address environmental challenges and further improve environmental performance in our industry. (See p. 44 for more information on these partnerships.)

METRICS AND TARGETS

We use a range of metrics and targets to assess and drive our performance in managing climate change-related risks, in particular our ability to reduce operational GHG emissions. We measure our progress in reducing GHG and methane emissions based on intensity metrics (emissions per unit of

production), rather than gross emissions, because intensity metrics provide a more comparable year-over-year measure of our performance that is not skewed by changes in activity levels, acquisitions and divestitures and other factors. We measure and report our GHG emissions as total CO_2 equivalents and by primary gas type, including CO_2, methane and nitrous oxide. (See pp. 42-43 for methane and GHG emissions performance data.)

To help drive performance improvements, we adopted 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 six years early. Through the API's The Environmental Partnership, we have made three commitments toward reducing our methane emissions: implementing an LDAR program at all relevant sites within the next five years; replacing high-bleed pneumatic controllers with low- or zero-emitting devices within the next five years; and implementing a monitoring and emission reduction program for liquids unloadings. We are making progress on all of these commitments (see p. 44).

DISCLOSING CHEMICAL DATA

Apache has 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 also help our vendors develop procedures to ensure that data from well completions is submitted to the FracFocus website. Moreover, we also follow Texas' more stringent disclosure regulations in all of our U.S. operating locations.

We conduct periodic reviews of FracFocus information and meet with vendors and subject matter experts to discuss using more sustainable chemical alternatives.

We also encourage service companies to provide environmentally responsible chemical additives at economically acceptable prices. For example, while we do not use BTEX (benzene, toluene, ethylbenzene, xylene) as a standalone chemical additive to hydraulic fracturing fluids, we do 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 are also implementing 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 Apache's

hydraulic fracturing operations. This assessment framework focuses on screening out and/or reducing the use of chemicals with potential environmental hazards — for example, screening out additives that have risks of bioaccumulation and preferentially using those that are more biodegradable. We are also working to reformulate the chemicals we use in fracturing through advanced research and collaboration with service companies to identify chemical and technological alternatives that lower potential environmental impacts. And we continue to partner with the American Chemical Society's Green Chemistry Institute to further develop chemical risk reduction strategies for hydraulic fracturing activities.

Water Management

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

As much as possible, we seek to use nonfreshwater sources for our operations. Recycling helps to reduce the operating costs associated with purchasing, transporting and disposing of water, and it reduces the potential that our activities will compete with existing uses of freshwater resources. We strive to ensure that other end users, such as municipal water systems and agriculture, have the resources they need. We also follow comprehensive procedures for safeguarding water quality and for handling produced water responsibly.

These efforts are especially important in areas of the U.S. and Egypt that could be considered "water scarce." We consider location, pricing and regulations in assessing water scarcity. When appropriate, we utilize various data sources such as the U.S. Drought Monitor and the World Resources Institute's Aqueduct tool to confirm our assessment of water-scarce areas within our operations. The results of this assessment and utilization of these tools can be seen on p. 118.

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

See the Water Use and Withdrawals diagram on p. 57 for more detail on water use in our operations.
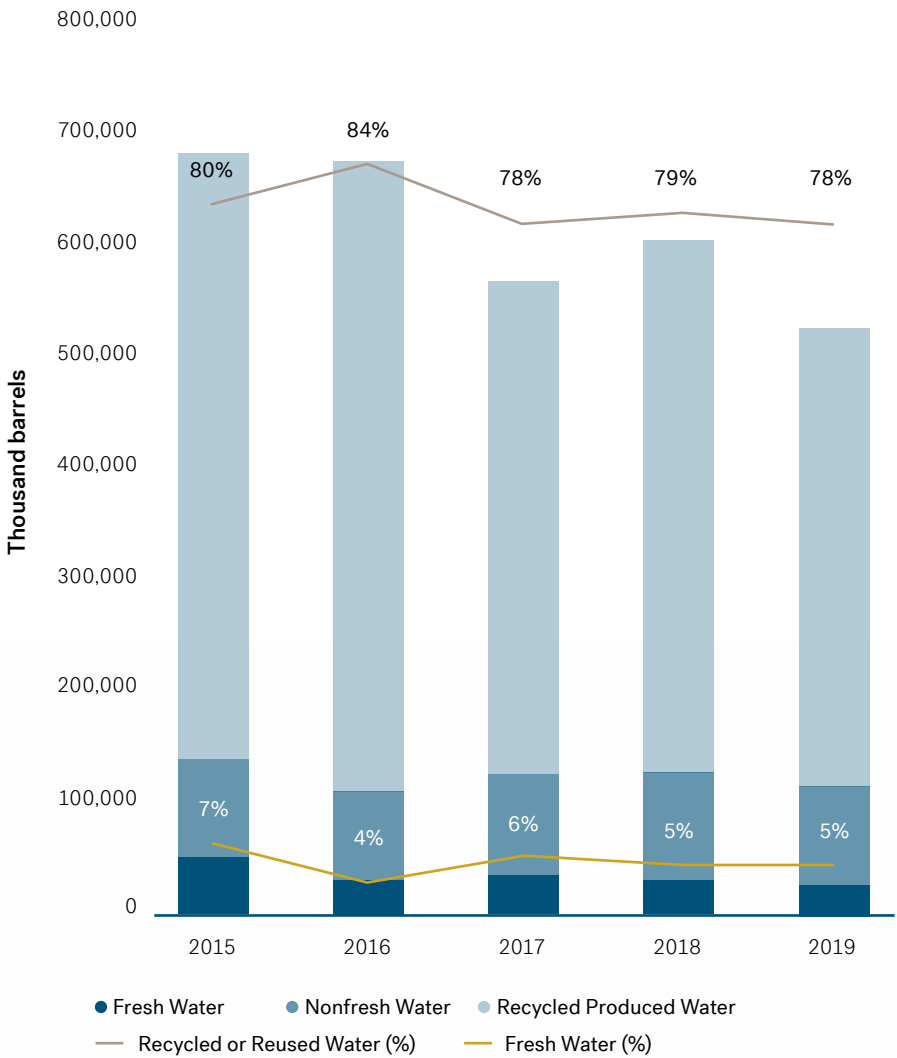
MONITORING WATER QUALITY

We have partnered with the Collaborative Laboratories for Environmental Analysis and Remediation (CLEAR), a water-quality research organization, at the University of Texas at Arlington to obtain third-party validation of our water-quality testing and monitoring program at our Alpine High play in Reeves County, Texas. Researchers at CLEAR study groundwater and surface water quality and investigate industrial impacts to these resources. CLEAR provided a third-party supplement to Apache's ongoing water-quality monitoring by independently collecting and analyzing samples of surface water and groundwater in the area. At the end of 2019, after three years, we concluded our sponsorship of this study.

TOTAL WATER CONSUMPTION

As shown in the chart below, we have decreased our freshwater consumption over the past five years, largely by increasing our reuse of produced water, which includes produced water from secondary recovery and hydraulic fracturing operations.

Thousand barrels

Year	2015	2016	2017	2018	2019
Recycled or Reused Water (%)	80%	84%	78%	79%	78%
Nonfresh/Fresh lower band	7%	4%	6%	5%	5%

● Fresh Water   ● Nonfresh Water   ● Recycled Produced Water
— Recycled or Reused Water (%)   — Fresh Water (%)

80%

of the total water we have consumed for operations, since 2015, has been recycled or reused water

USING ALTERNATIVE WATER SOURCES FOR HYDRAULIC FRACTURING

Apache recognizes the importance of minimizing freshwater usage and is focused on expanding our use of recycled produced water and brackish groundwater for hydraulic fracturing operations. We continue to evaluate the potential to use alternative water sources in all of our areas of operation based on a range of criteria, including transportation, infrastructure, treatment methods and cost.

We have applied a variety of innovative technologies and processes to allow us to store larger volumes of treated produced water for longer time periods, including using multiple smaller impoundments and applying advanced chemistry. This enables us to better match the availability of recycled water to our operation schedules and increase the proportion of recycled water used in our operations.

We continuously improve our water treatment techniques to best match circumstances and needs, which can vary considerably by location, by developing technologies and processes that use alternative water sources in our completion operations, including using recycled produced water and nonfresh groundwater. Over the past few years, we have increased our water storage capacity and improved our ongoing treatment of stored water to ensure it remains ready for reuse.

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

location-specific spill prevention, countermeasure and control plans.

We have also expanded our water-related infrastructure, allowing us to move water within our operations without trucks, which reduces trucking-related emissions, minimizes the potential for spills and lessens impacts on local roads. We have worked with the American Petroleum Institute to develop recommended practices for the lay-flat hosing that is commonly used to transport produced water to and from well locations. The specifications include parameters to ensure the quality and performance of this piping across our industry. In 2019, in the Permian Basin, all the water we used for hydraulic fracturing was transported by either permanent or temporary pipeline.

INCREASING NONFRESHWATER USE IN 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 2019, freshwater use as a percentage of total water used for hydraulic fracturing increased from 32% to 37%, but the overall volume of fresh water used decreased 3% over the same time period.

Hydraulic fracturing water use is a subset of total water consumption. (See p. 53 for more information on total water consumption.)
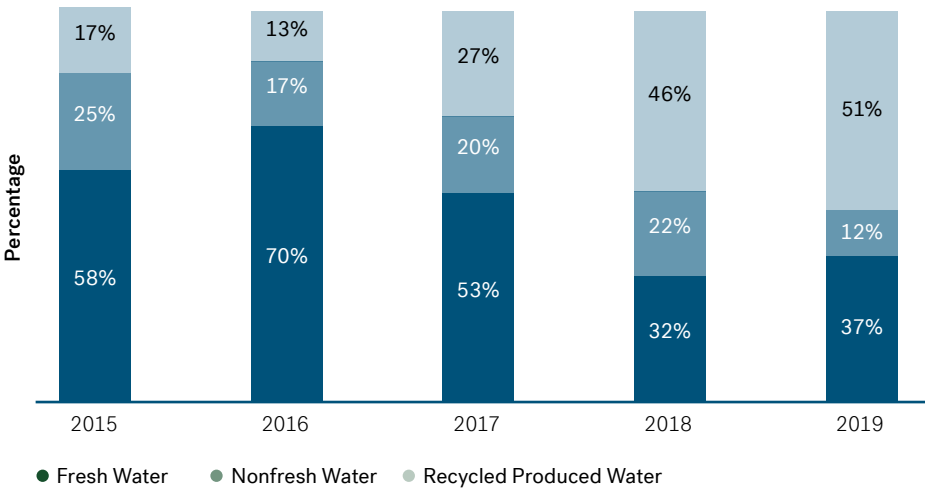
63%

of the water we used in our U.S. hydraulic fracturing operations was nonfresh or recycled produced water in 2019

	2015	2016	2017	2018	2019
Recycled Produced Water	17%	13%	27%	46%	51%
Nonfresh Water	25%	17%	20%	22%	12%
Fresh Water	58%	70%	53%	32%	37%

● Fresh Water ● Nonfresh Water ● Recycled Produced Water

SAFEGUARDING WATER QUALITY

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

Protecting aquifers by ensuring the integrity of our wells is another way Apache safeguards water quality. We take great care when planning and performing operations to minimize the chances of a well failure that could result in impacts to local water resources. Our engineers, geologists and geophysicists design our well drilling plans and completion

programs through a detailed and extensive review of local geologic knowledge and previous operational conditions for the entire depth to which each well will be drilled. In addition, we consider the potential for impacts to adjacent wells or faults and include mitigation plans to prevent adverse impacts. Depending on well spacing and fracture direction, well completion treatment volumes and pumping pressures are adjusted, and nearby wells are remotely monitored using appropriate surveillance technologies.

We carefully design the surface casings for our wells to protect usable groundwater intervals and ensure that the construction of the wells follows industry best practices. This includes verifying casing and cement

integrity with pressure tests and physical inspections. We monitor and record essential data from cement jobs and 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.

KEY WATER DEFINITIONS

— **Fresh Water**
Water sources with a total dissolved solids concentration of up to 2,000 milligrams per liter.* 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 Apache's operations that are sourced from water withdrawals, including recycled produced water used in secondary recovery and hydraulic fracturing operations.

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

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

WATER USE AND WITHDRAWALS

Drilling, completions and production operations are our primary uses of water, which we source from groundwater aquifers, surface waters, municipal water and produced formation water.

Recycled Produced Water

Produced Water Treatment for Reuse

Disposal

Nonfresh Water

Drilling and Completions

Oil, Gas and Water Separation

Producing Wells

Fresh Water

Secondary Recovery

Key

┄┄> Produced water flow

──> Recycled water flow for certain operations

----> Source water flow
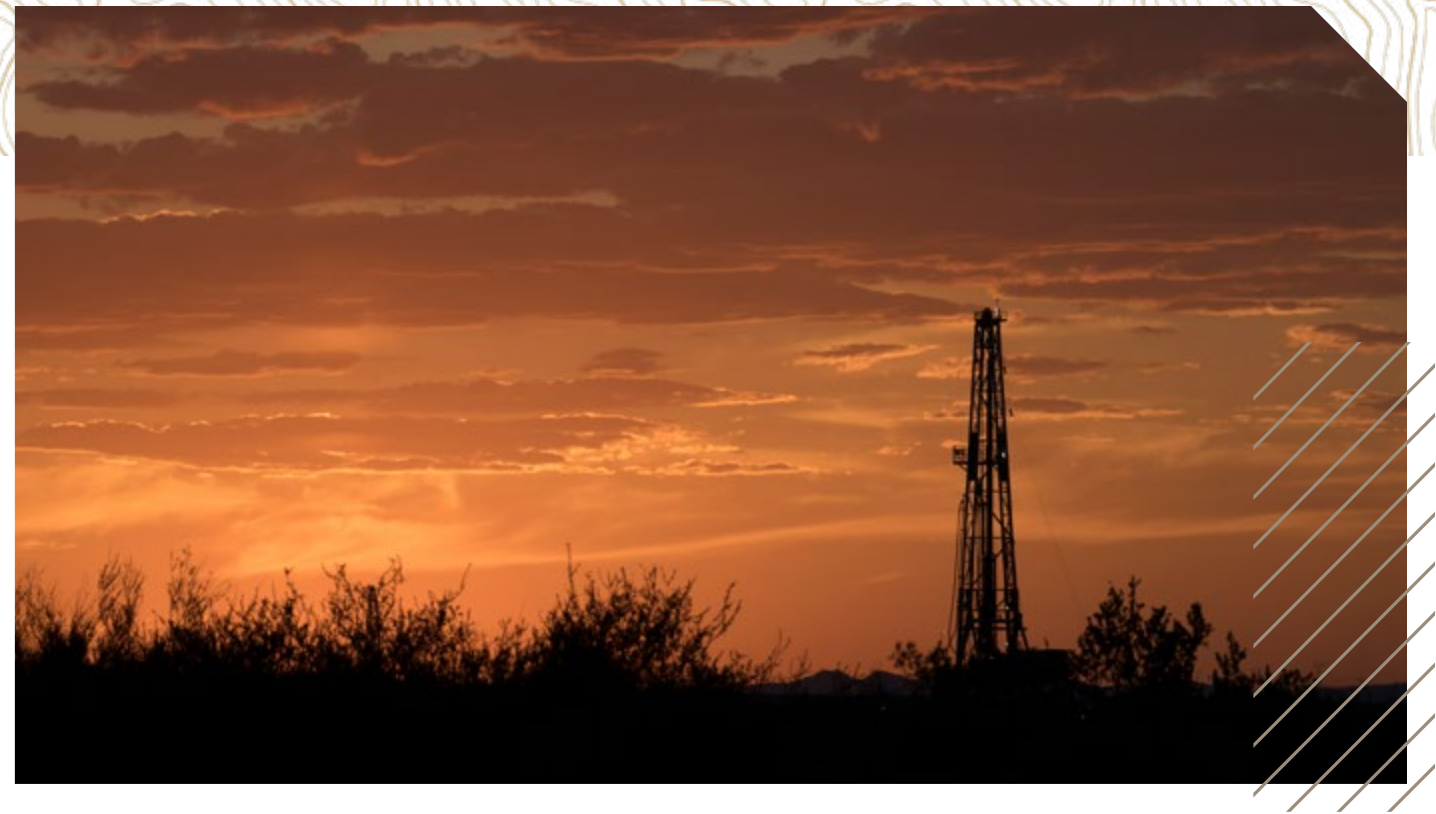
Seismicity and Oil and Gas Operations

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

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

When disposing of water in Apache-operated disposal wells, we ensure compliance with applicable federal and state regulations regarding underground injection control. The requirements include pressure testing, mechanical integrity testing and monitoring of injection rates and pressures. When utilizing commercial disposal wells, we assess their operating processes to ensure compliance with best practices and relevant regulations.

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. We have collaborated with leading universities, including Stanford University, the California Institute of Technology and the University of Texas at Austin, and have funded research to better understand and model the fundamentals of induced seismic activity. 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 the TexNet project, a seismic monitoring effort.

Biodiversity

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

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

PROTECTING SENSITIVE SPECIES ACROSS OUR OPERATIONS

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

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 officer (PSO) with the dedicated responsibility of looking out for whales, turtles and other sensitive marine species in the drilling area when seismic activities are occurring. These PSOs can stop any seismic activity if they see a protected species in the drilling area.

PARTNERING TO PROTECT THE PECOS RIVER WATERSHED ECOSYSTEMS

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

MANAGING LANDS WITH A CONSERVATION FOCUS

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

Ucross Ranch: A Model of Sustainable Rangeland Management

The Ucross Ranch, located near the base of the Big Horn Mountains in Wyoming, is partially owned by Apache and managed by the Apache Foundation, a nonprofit subsidiary of Apache Corporation. Since 2005, the Foundation has managed the 20,000-acre ranch as a model for profitable and sustainable land-use management practices, protecting increasingly threatened grassland ecosystems. 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.

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, grey 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. The state has lost about 20 square miles of wetlands per year for several decades due to the natural processes of subsidence, saltwater intrusion and shoreline erosion, as well as human activities such as levee construction along the Mississippi River and the dredging of navigation canals.

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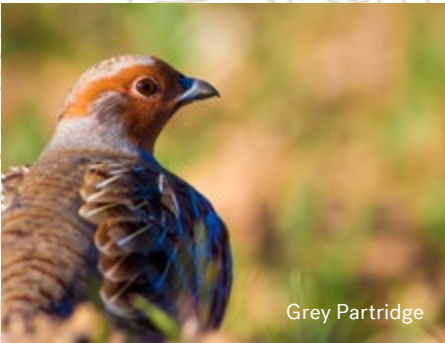
provide billions of dollars in revenue and thousands of jobs in oil and gas development, shipping, fisheries, ecotourism, recreation and other industries.

In Louisiana, Apache manages 270,000 acres of land and places a high priority on protecting swamps and marshes in the Gulf Coast region and the species that call these areas home.

Our local employees work year-round to manage and protect the land, including through planting native vegetation, operating water-control structures and rebuilding shorelines to keep out saltier waters, which kill marsh grasses. In addition to restoring and protecting wetlands and marshes on our own lands, we work with local, state and federal government agencies, conservation organizations and other oil and gas companies on wetland projects.

In October 2019, we continued our efforts to manage and help improve waterfowl and wildlife habitat by coordinating and conducting a vegetative planting project in the marshes of Cameron Parish, Louisiana.

We also continued our partnership with the Barataria-Terrebonne National Estuary Program (BTNEP) to build osprey nesting platforms on our property in Louisiana by donating money, employee time and equipment to help build 10 nesting platforms on Apache-managed land and taking BTNEP ornithologists out to the nesting platforms to monitor the ospreys' activity.

White-tailed Deer

Pronghorn

Sage Grouse

Sharp-tailed Grouse

Grey Partridge

Spill Mitigation

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

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

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

In the event a spill does occur, field personnel respond promptly and follow a planned spill response protocol to determine the spill source and location and then act to minimize the potential for
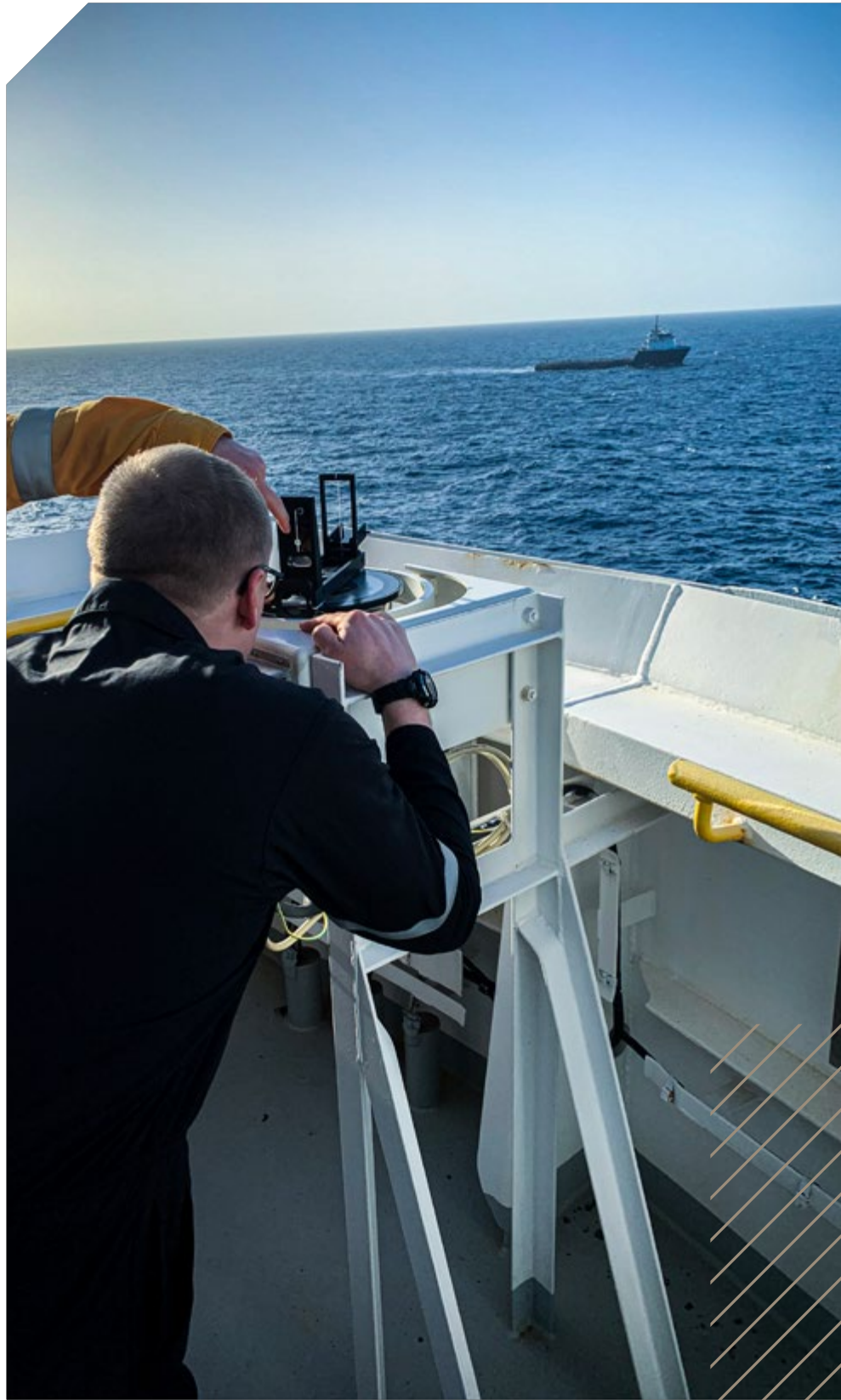
"In Suriname, we maintain our proactive approach toward oil spill prevention through preparation, planning and training with key stakeholders."

adverse impacts. We are also committed to following all applicable local and national cleanup and reporting requirements.

RESPONDING TO OFFSHORE SPILLS

While prevention is always Apache's ultimate goal, we give high priority to further expanding our capability to respond to offshore spills. We have maintained memberships in multiple subsea intervention organizations that provide global access to a comprehensive package of subsea emergency response services for the industry. As described in the Health and Safety section (see p. 66), we have memberships with Wild Well Control and Oil Spill Response Limited, which 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 local government in the development of a National Oil Spill Contingency Plan and, along with our industry partners, provided subject matter experts to train and educate local government agencies. We evaluate oil spill response equipment providers and contract with them for specific spill response equipment based on our operations. We also pre-stage equipment in multiple locations for rapid response in the event of a spill.

Pre-staging locations include the Apache Shore Base in Chaguaramas, Trinidad; aboard contracted offshore supply vessels and a contracted drill ship; and in the Port of Paramaribo, Suriname. Though

our operations are entirely located in Suriname, we have also proactively coordinated with local and state agencies in neighboring Guyana, which could potentially be impacted by any spill from our operations. We invite Guyanese officials to participate in our spill response training exercises to establish a cross-border communication protocol, and we communicate regularly with them about spill response operations.

In addition, Apache has engaged with local exploration and production companies to work together toward the creation of an Oil Spill Response Resources Mutual Aid agreement that could be put in place in the Guyana Basin. This agreement would make available to participants the industry's collective expertise and technology in oil spill preparedness and response.

Waste

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

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 all of our operating areas. Disposal of residual drilling waste is tightly regulated by the individual states in which we operate. Although regulatory disposal requirements may differ slightly by state, they are fairly uniform overall and include requirements for the classification of hazardous and nonhazardous waste, manifesting, transportation and disposal methods.

In our North Sea Forties Field, we use rig-based drill cutting treatment and processing facilities to reduce the need to return materials to shore for treatment and disposal. This process reduces environmental impacts as well as the potential for safety incidents associated with transport.

AIMING FOR ZERO WASTE IN THE OFFICE AND THE FIELD

In 2015, we developed the AIM for ZERO WASTE recycling program to align our day-to-day office behavior with the company's mission and Core Values by encouraging employees to reduce the volume of waste sent to landfills.

EMPLOYEE VOLUNTEERS

We reinforce our commitment to waste reduction and recycling throughout the year, including by leveraging the help of employee volunteers in our offices who work to identify and implement waste reduction opportunities and encourage recycling. A main focus of this effort is expanding and improving waste reduction and recycling programs at each of our office locations where local services are available.

REUSABLE CONTAINERS

As part of this program, Apache made it a policy to stop purchasing nonrecyclable polystyrene (i.e., Styrofoam) cups where feasible and instead provide reusable beverage containers. We also offer reusable containers in our dining facilities in Houston and Midland, Texas, to further reduce the polystyrene that ends up in landfills.

ECO-FRIENDLY DINING

In 2019, as part of our Earth Day celebration, we 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 also continue our commitment to recycling electronic waste; we recycled approximately 50 tons of this type of waste companywide in 2019.

MANAGING NATURALLY OCCURRING RADIOACTIVE MATERIAL (NORM)

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

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

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.

50 TONS
of electronic waste was recycled companywide in 2019

Health and Safety

A DIFFERENTIATED APPROACH TO HEALTH AND SAFETY

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

Building a Safe Workforce

A pache is committed to driving a safety culture that empowers employees and contractors to act as needed to work safely and to stop the job if conditions are deemed unsafe. We strive to be incident-free every day across our global operations.

We are focused on building and maintaining a safe workplace for all employees and contractors. The oil and gas industry has a number of inherent risks. Our daily operations involve large and powerful machinery, flammable materials and hazardous chemicals. Workers are often outdoors, in all seasons and all types of weather. In addition, our people drive tens of millions of miles each year, putting them at risk for driving incidents. A strong safety culture is essential to Apache's success, and we emphasize the important role that all personnel play in creating a safe work environment.

Our teams strive to identify, assess and mitigate risks associated with our operations and work activities. At Apache, safety is everyone's responsibility. Whether during pre-job planning, on-site observations or post-incident investigations, employees and contractors have a responsibility to manage risks to help ensure that all workers arrive home safely at the end of their workdays.

In 2018 and 2019, we focused on two areas in which we identified significant opportunities for improvement: road safety and contractor safety. Our focused efforts resulted in improved performance in 2019.
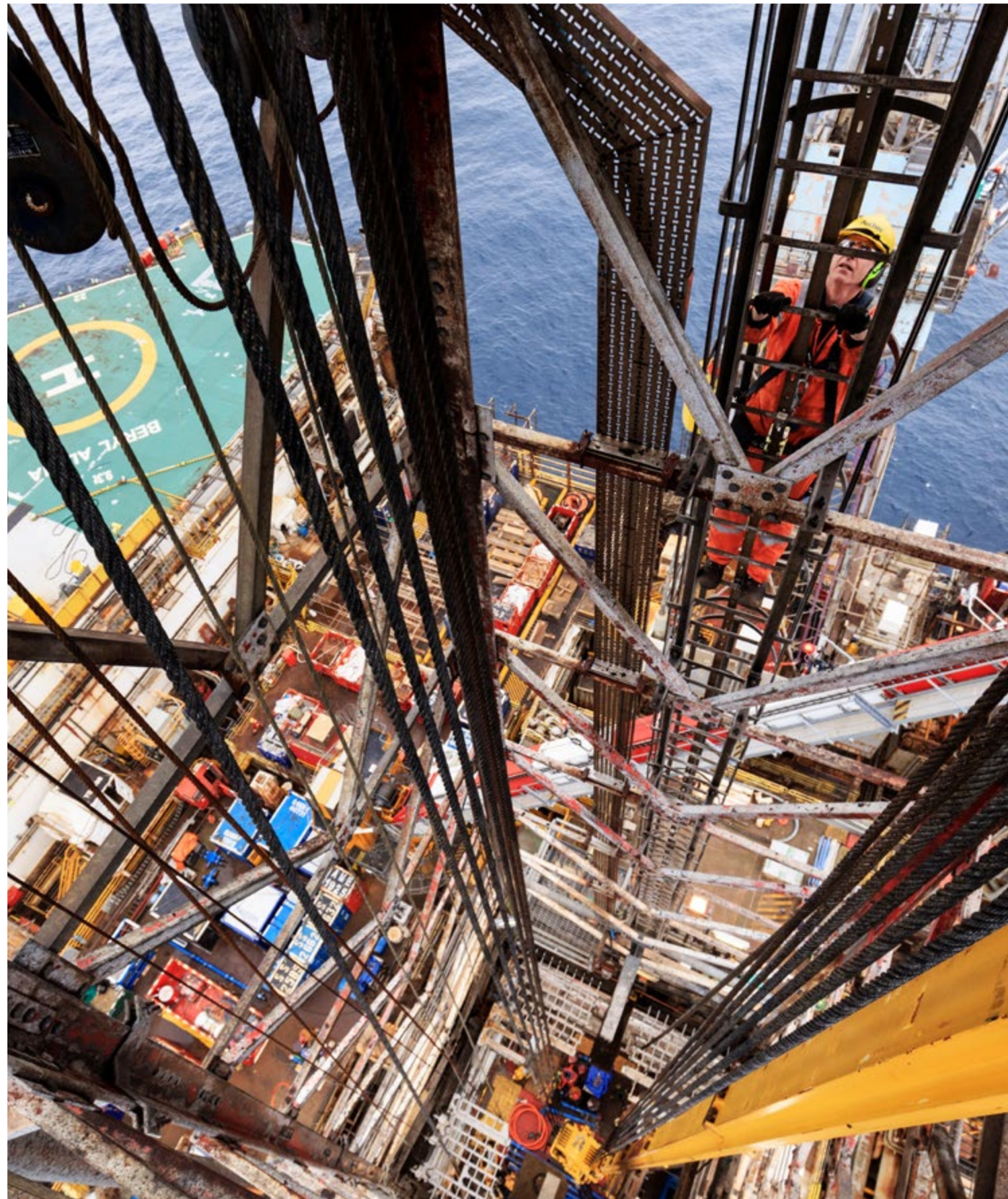
SAFETY BY THE NUMBERS

From 2018 to 2019, we saw improved performance in our key health and safety metrics.

37%
reduction in workforce*
Total Recordable Incident Rate

49%
reduction in workforce*
Days Away, Restricted or Transferred Rate

39%
reduction in Apache employees'
Vehicle Incident Rate

* Workforce includes employees and contractors.

A FOCUS ON ROAD SAFETY

Our workforce spends a lot of time on the road, driving more than 36 million miles in 2019. Operating a motor vehicle ranks among the riskiest activities our people perform on a daily basis, and driving is the main source of industrywide safety incidents.

Through awareness, training and focus, we can encourage safer driving behavior and reduce vehicle incidents. Apache has taken a multifaceted approach to helping ensure the safety of our workers and

making the roads in our communities safer. This approach includes top management support, a comprehensive GPS-based vehicle monitoring system, driver feedback, training programs, policies, educational campaigns and outreach activities.

Our management teams support driver safety performance by analyzing and acting on key driver trends, communicating expectations and enforcing vehicle policies. Employees are reminded of our driving policies and rules as needed through companywide communications,

via our online education programs and during safety meetings. We implement regular driver training — including classroom, on-road and e-learning training — across our global operations. Lessons learned from vehicle incident investigations are also shared to prevent similar incidents from recurring and to raise awareness.

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

SAFETY BY THE MILES

In 2019, company vehicles were driven more than

36 MILLION

miles for business across the U.S. and Egypt, and the probability of vehicle incidents over that many miles is high. This distance is equivalent to driving around the Earth more than 1,400 times.

x 1,400
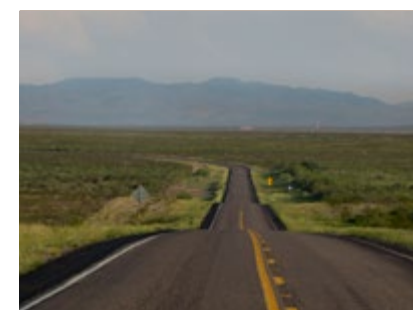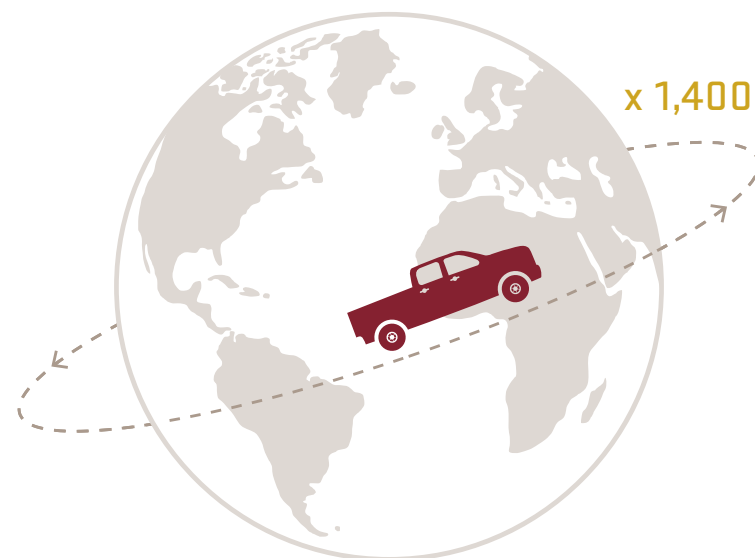
THE PERMIAN ROAD SAFETY COALITION

Apache is one of 15 companies that helped to establish the Permian Road Safety Coalition in 2015. Originally launched as an ad hoc group of concerned stakeholders, the Coalition acquired nonprofit status in April 2019 and is now dedicated full time to improving road safety and reducing the number of traffic-related injuries and deaths in the Permian Basin. The Coalition is a collaborative effort among oil and natural gas operators, oil field service and transportation companies, nongovernmental organizations and government agencies.

STERILE CABIN

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

Eating, drinking or smoking

Talking

Cell phones

Changing the radio station or adjusting temperature controls

Throughout our onshore operations, both domestic and international, our fleets use GPS monitoring devices to track and record vehicle locations and driving behaviors (e.g., speeding, harsh braking, rapid acceleration and seat belt usage). Coaching and training are provided when positive or negative driving behaviors are observed in the GPS monitoring data. The GPS monitoring system is also helping to increase our operational efficiency and reduce our carbon footprint by identifying opportunities to decrease excessive idling.

In 2018 and 2019, we undertook the following activities to drive improvements in road safety:

— We utilized data from the GPS monitoring devices in our U.S. company vehicles to identify areas for improvement. We identified that vehicle backing instances accounted for 25%

of overall incidents in 2018. In 2019, after analyzing vehicle monitoring data and raising awareness of this particular unsafe driving behavior, our total U.S. backing instances decreased by 84%, and incidents caused by backing decreased by 44% during the year.

— We expanded the use of GPS monitoring devices to our operations in Egypt in 2018. We installed 570 GPS devices in Apache/Khalda joint venture vehicles, resulting in a nearly 90% reduction in speeding violations through the end of 2019.

— The Environment, Health and Safety (EH&S) team partnered with our Aviation specialists to translate an airplane's "sterile cockpit" — an aviation industry set of regulations prohibiting pilots from performing any nonessential duties or activities when the aircraft

is taxiing, taking off, landing or flying below 10,000 feet — into a "sterile cabin" environment in company vehicles. This effort addresses the high rate of incidents that occur while entering or exiting a location and has inspired a companywide campaign to help minimize in-cabin distractions while driving company vehicles.

— We expanded our driver awareness offerings to provide employees with more opportunities to continue learning. Various modules of the Smith System™ training are now offered within our online learning and development platform. Another aspect of the expansion is a commentary-based awareness test that requires drivers to say out loud everything they see as they drive. This test is a requirement for new hires.

VEHICLE BACKING

84%

decrease in backing instances which contributed to a **44%** decrease in incidents caused by backing from 2018 to 2019
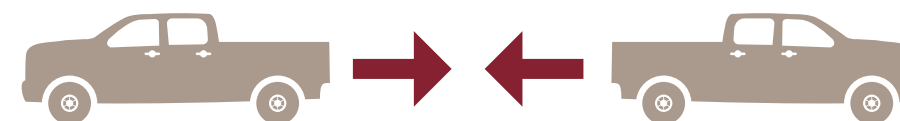
A FOCUS ON CONTRACTOR SAFETY

Like most oil and gas companies, Apache relies on contractors to support nearly every aspect of our operations — from exploration and production to well closure and remediation activities. Contractors typically account for about two-thirds of our total workforce hours each year.

We are as committed to the safety of our contractor workforce as we are to the safety of our own employees. We ask our contractors to instill Apache's Core Values of safety and environmental responsibility in their own organizations, and we require contractors to demonstrate that they have effective safety management systems in place.

We actively engage with our contractors to promote effective, two-way communication through regular meetings to discuss health and safety performance and identify opportunities for improvement. These meetings allow us to communicate new policies and procedures to our contractors.

Contractor Management

Apache uses various third-party tools and company protocols across the organization to evaluate potential contractors before hiring. Our contracts for goods and services require suppliers to comply with all applicable laws and regulations, as well as to meet Apache's own standards and expectations for performance in key areas, including safety, environment and ethics.

Contractors must have robust safety policies, including a comprehensive training program, hazard identification and job safety analysis processes, stop-work authority, an incident reporting system, and drug and alcohol testing. Additionally, 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.

Our comprehensive contractor management process addresses the full lifecycle of vendor engagement from selection and evaluation to monitoring and post-contract review. The process not only establishes EH&S requirements based on regulatory, company and industry best practices, it also assesses technical capabilities, product quality, service quality, financial qualifications and cost.

Key contractors are regularly monitored to identify any changes in status that may affect their ability to perform work at one of our locations. In addition to the internal review process described above, we also assess contractors using leading third-party supply chain management tools that provide evaluations of suppliers on a range of criteria, including performance and management of safety, anti-corruption, financial health and other business issues.

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

The safety performance of our contractors has improved significantly over time, due in large part to our enhanced focus on safety management system verification and proactive engagement.

AIM FOR ZERO

Apache's behavior-based safety program, AIM for ZERO, helps drive continuous improvement at our field and office locations around the world. AIM for ZERO is a companywide initiative to instill a mindset of safety and environmental responsibility in our employees and contractors at all levels. But it's more than an EH&S program: It's a way of working and empowering our workforce to do the right thing, regardless of the situation. We are constantly focused on working safer and working smarter. AIM for ZERO is a state of mind and an empowerment tool for employees to do what they need to do to protect their safety, the safety of others and the safety of the environment. We know zero is an aggressive target — zero incidents, zero near misses, zero preventable occurrences and zero fatalities. But we believe it's the mindset we need to deliver true operational excellence.

Formally rolled out in 2013, AIM for ZERO provides tools and resources that empower our people to identify and submit potential hazards, share their ideas for improvement and stop work whenever necessary — supporting our safety culture by putting action into the motto of "See Something, Say Something, Do Something." All submissions trigger actions as well as preventative measures and/or process improvements to be implemented through the development of mitigation plans.

Perhaps even more important, we make it clear that employees will never be reprimanded for reporting a safety concern or incident or for stopping work they deem unsafe.

We continually emphasize AIM for ZERO to our people to make sure it is fully embedded within our company culture. In 2019, we launched an online training that reiterates the key role all Apache employees play in safety. From 2018 to 2019, we saw a 74% increase in AIM for ZERO submissions by employees.

HEALTH AND SAFETY TRAINING AND EDUCATION

We offer a wide range of training programs for employees and contractors to help them develop their skills and understanding of our health and safety policy and programs. In addition to teaching specific skills, these trainings encourage personal responsibility for safe operating conditions and help to build a culture of individual accountability for conducting job tasks in a safe and responsible manner.

Our online training platform, which is incorporated into Apache Academy (see p. 84), gives employees easy access to safety-related information. We have training courses available to keep field employees and managers informed about evolving issues and best practices.

> "We are as committed to the safety of our contractor workforce as we are to the safety of our own employees."

A PACHE

I MPROVEMENT

M ETHODS

for

Z ERO INCIDENTS

E MPOWERED EMPLOYEES & CONTRACTORS

R ESPONSIBILITY FOR YOURSELF & OTHERS

O PERATIONAL

EMPLOYEES AND CONTRACTORS CAN MAKE THEIR VOICES HEARD BY:

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

Permian Basin: Partners in Premier

In the past few years, despite improvements in contractor safety overall, one area of our operations in particular has experienced an increase in injury rates: the Permian Basin, where oil and gas companies are seeking to drive performance improvements against the backdrop of a less-experienced workforce. The recent boom in oil and gas production in this part of Texas has resulted in a huge influx of short-service workers — contractors with less than a year of on-the-job experience.

In 2018, we launched a new contractor accountability program as part of an effort to reduce the number of contractor injuries in the Permian Basin. The Partners in Premier Program aims to improve operational, EH&S and business performance by creating a shared culture of safety and operational excellence. We began by selecting 13 core contractors in high-risk, critical operational areas such as construction, drilling, completions, well servicing and transportation. In 2019, this program was expanded to a total of 20 contracting partners.

Each contractor is assigned an Apache contractor accountability manager to help establish goals and communicate Apache's expectations around safety. The goal is to keep contractors safe through adherence to stringent EH&S expectations.

Not only has Apache endeavored to improve contractor safety performance via Partners in Premier, we have very purposefully rationalized our contractor pool by weighting safety performance more heavily in our contractor selection criteria. This process has reduced the number of contractors in our available pool by more than 25%. It is no coincidence that the improved average safety performance of that high-graded pool translated into improved contractor safety performance, as shown in the data below.

Improvements in contractor safety performance in the Permian Basin from 2018 to 2019:

38%
decrease in contractor Total Recordable Incident Rate

35%
decrease in contractor Days Away, Restricted or Transferred rate

Health and Safety Performance

Our environmental, health and safety (EH&S) performance management system, Insite, allows us to better track incidents, facilitate management of change approval workflows, develop electronic checklists so that audits and inspections can be performed in the field, and improve stakeholder communications. This software aligns our operating areas, allowing us to communicate pertinent health and safety data across the entire workforce in an effective, efficient and timely manner. For example, we are able to better identify and communicate root causes and incorporate lessons learned from incidents so that, to the best of our ability, we can eliminate across our operations the conditions that caused them.

In 2019, we unfortunately experienced three serious, contractor-related incidents that resulted in fatalities (see p. 115 for more information). In order to minimize future injuries and improve overall safety performance, we have increased our ongoing focus on contractor safety management.

TOTAL RECORDABLE INCIDENT RATE

2015 — Employees 0.44, Contractors 0.91, Workforce 0.76
2016 — Employees 0.19, Contractors 0.69, Workforce 0.52
2017 — Employees 0.24, Contractors 0.67, Workforce 0.56
2018 — Employees 0.28, Contractors 0.80, Workforce 0.65
2019 — Employees 0.09, Contractors 0.54, Workforce 0.41

● Employees ● Contractors ● Workforce
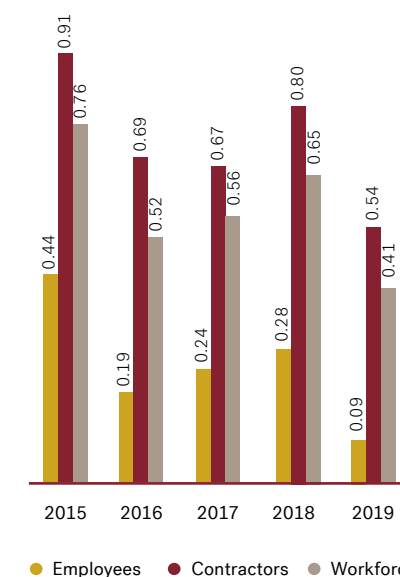
The TRIR is calculated by multiplying the total number of recordable injuries by 200,000 hours, then dividing by the total hours worked.[1] The TRIR measures the rate of work-related injuries and illnesses that result in medical treatment beyond first aid. Medical treatment includes, among other things, the use of prescription medication to relieve inflammation or ease discomfort.

DAYS AWAY, RESTRICTED OR TRANSFERRED RATE

2015 — Employees 0.24, Contractors 0.44, Workforce 0.37
2016 — Employees 0.09, Contractors 0.37, Workforce 0.27
2017 — Employees 0.10, Contractors 0.28, Workforce 0.23
2018 — Employees 0.17, Contractors 0.40, Workforce 0.33
2019 — Employees 0.07, Contractors 0.21, Workforce 0.17

● Employees ● Contractors ● Workforce
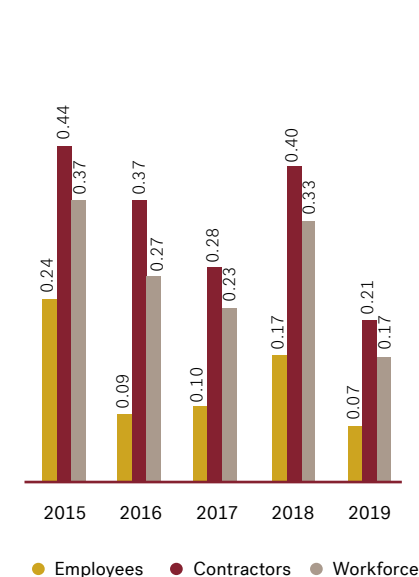
The DART rate is calculated by multiplying the total number of DART injuries by 200,000 hours, then dividing by the total hours worked.[1] DART cases considered in this rate are those work-related injuries and illnesses that lead to an employee missing work, requiring restrictions in work duties or requiring a transfer from regular work duties.

VEHICLE INCIDENT RATE

2015 — 1.29
2016 — 1.41
2017 — 1.24
2018 — 1.29
2019 — 0.79
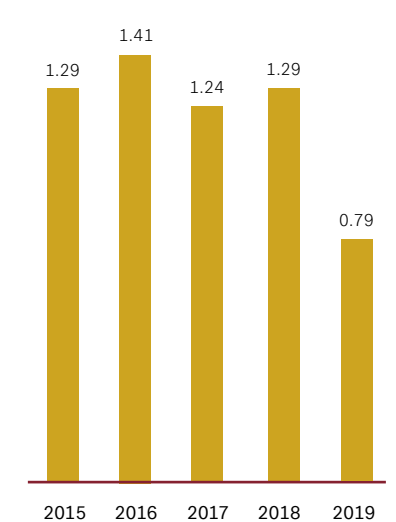
The VIR is calculated by multiplying the total number of recordable vehicle incidents by 1 million miles, then dividing by the total miles driven.[2]

[1] Apache employees and contractors worked more than 53 million hours in 2019.
[2] Includes miles driven by Apache employees.

Crisis and Emergency Management

CRISIS MANAGEMENT APPROACH

Risk Identification
— mitigation
— monitoring
— governance
— compliance

Training & Awareness
— crisis drills
— table top training
— field-based scenario training

Crisis Management
— crisis management plan
— crisis communications plan
— business continuity plan
— response resource support

Continuous Improvement
— post-incident review
— lessons learned sharing
— plan revisions

Apache has diverse operations in multiple countries with varying operational risks and local, regional and national crisis management regulations and requirements. Apache's approach to crisis and emergency management follows a four-part process: plan, prepare, respond and recover. When we think about crisis management, we're not just talking about oil spills, fires or catastrophic storms. We also make contingency plans to deal with business interruptions at both the corporate and operational levels. Such risks include acts of terrorism, operational incidents, weather-related incidents, significant commodity price fluctuations, cyberattacks and pandemics, to name a few. Integral to our approach, we have developed a corporate Crisis Management Plan that establishes our Corporate Preparedness Framework.

This framework outlines our planning process and personnel response training, so that we are prepared from the wellhead to the boardroom should an emergency incident occur. All of our operating areas are required to meet our corporate standard for emergency response preparedness. This includes, but is not limited to, developing location-specific all-hazard response plans, training response personnel, performing drills and

exercises, and drafting response plans for each asset, in accordance with applicable regulations.

Our Corporate Preparedness Framework is designed to:

— identify and mitigate risks

— secure and protect our people, contractors, neighboring communities, facilities, information, operations and the environment in a manner consistent with applicable laws and policies, as well as with our corporate Core Values

— quickly and effectively identify, respond to, manage and recover from crises

— minimize the impact of incidents on Apache's people, facilities, operations and stakeholders

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

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

Apache's corporate office and each of our operating areas develop and maintain their own business continuity plans identifying the critical processes, personnel and resources needed to resume operations as quickly as possible should a business interruption occur. Mitigation strategies for a business continuity response are based on thorough risk and business impact analyses.

APACHE GLOBAL RESPONSE TEAM

To support our crisis response capabilities, Apache has a Global Response Team that trains together to support and augment specific incident management teams. The Apache Global Response Team receives advanced incident command system training throughout the year.

Having this team in place ensures that we are prepared to respond quickly to

emergency incidents and to maintain comprehensive internal management of both short- and longer-term crisis events. As a result, nearly any potential crisis can be managed by our employees with an understanding of, and commitment to, Apache's Core Values and long-term success.

CRISIS MANAGEMENT TRAININGS

All Apache employees who have been identified as having a role in crisis management are offered annual training on crisis management, crisis communication and business continuity plans. Apache's executive leadership participates in quarterly training on crisis management topics, including reviewing crises experienced by other companies, critical incident stress management, crisis communication and specific Apache crisis and incident management plans. Senior

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

INDUSTRY COLLABORATIONS AND PARTNERSHIPS

We participate in several industry collaborations to improve our emergency response capabilities. Apache is a member of Oil Spill Response Limited, which provides well control and spill response support globally to 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 any well control, capping stack or subsea debris cleaning and dispersant applications that may be required for an incident in any other area of operation.

COVID-19: PUTTING OUR CRISIS MANAGEMENT PLAN INTO ACTION

As the global pandemic began to affect our areas of operation in March 2020, we transitioned our office staff to working remotely and implemented enhanced safety protocols for our field staff across the globe. At our onshore and offshore operations, we began utilizing questionnaires and screenings to monitor workers' health in order to help ensure their safety while conducting business-critical work. This includes our development and operations work in the U.S., U.K. and Egypt and our exploration program offshore Suriname.

Prior to COVID-19, our teams had business continuity plans in place, which have been successfully executed to respond to the current situation. Our Information Technology experts have worked tirelessly to ensure we could swiftly transition to remote work. Our systems are working well, and our personnel have been able to remain connected and keep the business running effectively. We are regularly reviewing our supply chain to identify potential risks and develop strategies to minimize any potential disruptions. In the North Sea, for example,

we have secured a special helicopter service that can safely remove anyone displaying symptoms consistent with COVID-19 from an offshore platform.

We are monitoring and following local government directives and recommendations and are preparing plans to return our office staff to their offices in a phased reentry at the appropriate times.

Global Wellness

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

Most of our major office locations have on-site cafeterias and fitness facilities. Cafeterias offer subsidized dining options that include healthy choices and easy access to nutrition information. Where available, on-site fitness facilities are open at no charge to employees and offer a wide variety of exercise equipment, fitness and training classes and programming to encourage employees' overall physical health. In field offices, we shape our fitness and wellness programs to fit the employee base and take into consideration the needs of those employees.

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

357

sit-to-stand desks installed in our Houston offices to date

ERGONOMICALLY FRIENDLY WORKSPACES

A flexible work environment has benefits for both health and productivity. Apache recognized that ergonomically equipped workspaces maximize comfort and increase productivity in the office. In 2019, we began offering sit-to-stand desks throughout our Houston offices to improve employees' wellbeing.

Workforce

A DIFFERENTIATED APPROACH TO WORKFORCE

Our employees are our greatest asset. They embody our company's passion for excellence and our collective focus on relentless improvement. In order to maintain a premier workforce, we continue to focus on developing, rewarding and enriching our employee base. Over the last few years, we have been transforming our Human Resources department into a strategic partner that attracts the best and brightest — and gives them the resources they need to be premier.

Learning and Development

Our learning program is underpinned by Apache Academy, our multitiered online platform that provides a robust learning environment for personal and professional development.

We know the best way to grow stronger as a company is by growing the skills of our people, so we have invested in leading-edge learning technology.

Apache Academy gives employees access to thousands of interactive and customized courses, webcasts, micro-learnings, books, abstracts, videos, white papers and other learning opportunities, all of which are available from employees' computers and mobile devices. We have created a series of "in-time" and "on-demand" targeted programs that provide focused, relevant learning opportunities. For example, our "in-time" content features safety lessons that are delivered prior to international travel and targeted leadership courses that are delivered upon a promotion. We have also added a series of 80 learning paths in partnership with LinkedIn Learning. Another tool that fosters employee development, 'A' Game Resources, enables goal setting and tracking, real-time feedback, and development and career planning using a computer or mobile device.

SUCCESSION PLANNING: IDENTIFYING AND PREPARING FUTURE LEADERS

Research shows that companies with high rates of engaged employees outperform their peers. Furthermore, employees are significantly more engaged working for a company that has a clear and defined succession planning process. At Apache, we have acted on this data by developing 'A' Game succession planning resources to enable leaders to build talent pools by discipline and identify future leaders across the organization. The succession planning process covers all company officers, directors, managers and supervisors — from line-level leaders in the field to executives in the corporate office — for a total of nearly 350 roles.

APACHE ACADEMY BY THE NUMBERS (2019)

790
unique courses offered

30,500+
hours of training

50,525
courses completed

2019 APACHE LEARNING SUMMIT

Building on the success of our inaugural Apache Learning Summit, we hosted the second learning summit in September 2019. The global event is designed to develop our employees, build community within Apache and showcase the many learning and development opportunities available at Apache, including those offered through 'A' Game Resources and Apache Academy.

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

At the summit, Apache employees from all levels of the organization shared their "career stories," describing their achievements, obstacles, projects and key takeaways. These stories highlighted the variety of career paths available at the company — and the different paths individuals have taken to reach their goals and achieve their current positions.

THE LEARNING SUMMIT BY THE NUMBERS

3,480
employee session registrations

650
in attendance for the global simulcast

85
presentations worldwide

Employee Benefits

Our robust benefits platform ranks among the best in our industry peer group. As a market leader, Apache includes annual equity awards as part of our total rewards compensation and benefits programs for all employees on the U.S. and U.K. payrolls.

We promote employee benefits that cultivate a family-friendly work environment and focus on our employees' overall wellbeing.

Apache's U.S. family leave policies include 12 weeks of paid time off for birth mothers, as well as paid leave for all new parents, including adoptive and surrogate parents, and leave for employees providing elder care.

Recent improvements in our benefit offerings for employees include the following:

— Mental health benefits 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 new global wellness platform to encourage and promote physical, financial, social and emotional wellbeing

60%
of those selected to attend business school programs in the last three years were female and/or part of a traditionally underrepresented group

With 'A' Game Resources, succession planning is a dynamic, year-round exercise. Managers have the ability to create succession plans for the roles within their line of authority. These succession plans allow Apache to prepare our future leaders by connecting them with the development and learning opportunities available in Apache Academy.

We also prepare future leaders through noted business school programs, including Arizona State University's Thunderbird School of Global Management, Southern Methodist University's Cox School of Business, the University of Chicago's Booth School of Business and the University of Pennsylvania's Wharton School. These programs round out a career journey for our emerging leaders.

ACCOUNTABILITY THROUGH COMPENSATION PLANNING

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

COVID-19: COPING WITH STRESS

The coronavirus pandemic and the lifestyle adjustments required by everyone may be stressful for our employees and their families. Fear and anxiety about a disease, as well as the unknown that comes with constant change, can be overwhelming and cause strong emotions in adults and children. In early 2020, Apache rolled out a new mental health benefit for U.S.-based employees and eligible dependents that includes free support through self-care apps, mental health coaches and video therapy sessions. Now, more than ever, it is important to monitor our own mental wellbeing and that of our loved ones, friends and colleagues.

22%

growth of Apache's U.S. ethnic minority population since 2015

Diversity and Inclusion

Apache is a global leader operating across many cultures and recognizes that diversity and inclusion are vital to our long-term success. Exceptional performance is achieved through our greatest asset — our people — who reflect the communities where we live and work. We believe in a corporate culture that encourages all employees to bring their unique perspectives and backgrounds to work every day and to know that their voices are valued and respected. We provide training programs to educate on unconscious bias, inclusive leadership, and the benefits of diversity, inclusion and belonging.

At Apache, we view our workforce as a global community — one that spans many regions around the world and encompasses the unique characteristics of the many different people who live in these areas. In 2019, we launched the Apache Global Community. This group identifies opportunities to improve diversity and inclusion by addressing internal corporate frameworks, such as policies and processes for recruiting, career management and development. We believe inclusive policies enable us to attract, retain and engage a more diverse, innovative and collaborative workforce. In 2019, our Global Community reviewed and updated 18 policies.

Apache employs a diverse group of science, technology, engineering and math (STEM) leaders across our global operations. Employees from traditionally underrepresented groups hold senior STEM leadership roles in our Tax, Accounting, Treasury, Land, Planning, Marketing, and Information Technology departments. To underscore the value of a diverse and inclusive work environment, in 2019, we added a goal to our annual incentive compensation program to strategically build diversity in our STEM disciplines.

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

OUR EMPLOYEES BY THE NUMBERS[1]

638 UNITED KINGDOM

2,132 UNITED STATES

385 EGYPT

8 SURINAME

189 GEOSCIENTISTS

371 ENGINEERS

49 LANGUAGES SPOKEN

651 ONSHORE FIELD

432 OFFSHORE FIELD
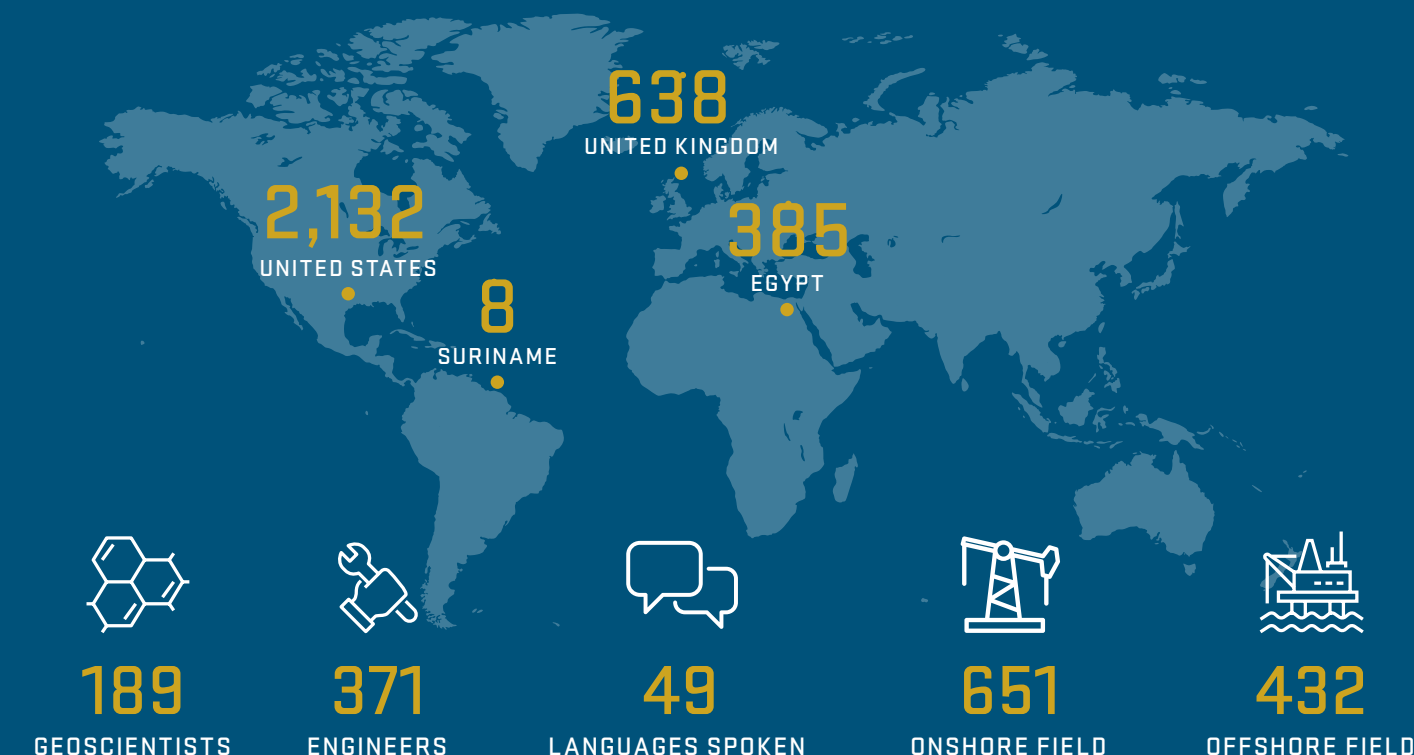
CHANGE IN U.S EMPLOYEE DEMOGRAPHICS: 2015 TO 2019[2]

40% ↑ Asian

10% ↑ Black/African American

23% ↑ Hispanic
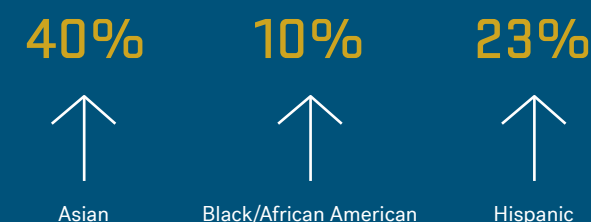
>30% of employees on Apache's U.S. payroll self-identified as a member of an ethnic minority group in 2019, up from about 25% in 2015.

77%
overall local hires in Egypt

99%
overall local hires in the U.K.

87%
local hires in Egypt over the past 12 months

HIRING LOCALLY

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

In our operations outside the U.S., we strive to draw the majority of our workforce from the local host country. This has not been difficult in our North Sea area of operation, as many of our employees and potential employees already have deep expertise in the oil and gas industry. But in other locations, such as Egypt and Suriname, we must take additional steps because adequate numbers of professionals with the technical skills and talent we need aren't always immediately available among the local workforce.

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

Today, we are continuing to make progress on our Egypt nationalization project, whereby we continue to recruit skill-ready Egyptian petroleum engineers and geologists to fill key roles. Historically, Egyptian petroleum engineers and geologists have sought work opportunities across the Middle East and North Africa region to broaden their technical knowledge base. To capitalize on this, Apache recently established partnerships with firms that are helping to recruit Egyptian nationals working abroad who would like to return to their home country. As a result, our pool of experienced Egyptian oil and gas technical professionals has improved and is bolstering Apache's national recruiting efforts, as well as providing Egyptian nationals who want to return to their home country meaningful opportunities in the industry.

In Suriname, we are focused on local employment capacity building to support future oil production in the country. We ultimately want to fill jobs with local members of the Surinamese population. (Learn more on p. 106.)

EMPLOYEE RECRUITMENT AND DEVELOPMENT

Historically, Apache focused primarily on recruiting from local colleges and universities in Texas and neighboring states. Recently, we recognized the need to identify a more diverse, qualified pool of candidates, and in 2019, we expanded the reach of our college recruiting efforts by hosting a career exploration day that provided undergraduate and graduate candidates with an opportunity to connect one-on-one with Apache employees from the students' chosen disciplines. We also educated students about the many benefits that our industry provides to the world. Of the 35 students selected to attend, nearly all of whom were studying in the STEM disciplines, women made up 46%.

Our internship and development rotational programs help us build a pipeline of exceptional talent for our company. These programs are designed to help employees expand their networks across geographical regions, gain practical and varied experiences and take on challenging assignments that contribute to the company's success.

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

HIRING VETERANS

Apache is honored to employ veterans from all branches of the military. Among our Core Values are respect, honesty, integrity, a sense of urgency and top performance. Through their service, military veterans have demonstrated these same values, which translate well to the Apache workforce. We partner with veterans' recruiting organizations as part of our efforts to increase the number of veterans we hire.

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Employee Engagement

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

At Apache, we continue to build employee engagement through meaningful work, growth opportunities, leadership development, community outreach and 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, such as:

— Quarterly town hall meetings hosted by the CEO and president that address Apache's progress on business goals and answer questions from employees around the globe

— Regular meetings with our vice president of Investor Relations that provide employees an opportunity to hear and ask questions regarding financial markets, Apache's stock performance and the market performance of our industry peers

— Live presentations broadcast to global offices that feature external speakers discussing prevailing topics in the energy industry

— Formation of a group of engaged employees that meets regularly to facilitate the flow of strategic communications throughout our organization

We also engage employees with opportunities for community outreach through TEAM (Together Everyone Achieves More) Apache. TEAM Apache's mission is to provide meaningful volunteer opportunities that instill a sense of pride, ownership and accomplishment for employees. The TEAM Apache Council, an employee group representing various positions and departments, helps coordinate volunteer opportunities and organize annual drives and events for all Apache employees.

EMPLOYEE SURVEY

A corporate culture that fosters a diverse range of voices and opinions leads to relentless improvement and innovation. Our annual employee survey allows anonymous employee feedback on topics such as working conditions, career opportunities, compensation, management and company direction. This feedback provides valuable data to Apache managers to inform decisions and opportunities that enhance the employee experience. In 2019, the survey had a 76% participation rate, and we received 5,200 comments.

Due to the market and social disruptions in 2020, we are utilizing more frequent pulse surveys to gather employee feedback on focused topics such as our safety culture,

internal communications, working remotely and annual benefits.

EMPLOYEE NETWORKING

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

After the tragic death of George Floyd in Minneapolis, Apache's CEO spoke to many employees who shared their stories, their perspectives and their ideas, including ways we may be able to foster more community and discussion on the topic of racial injustice.

In fact, a group of Apache employees began expressing their desire for connection, conversation and support, and the idea for the Apache Black Professionals Network was born. The group, which launched on June 19, 2020, aims to help facilitate education, professional and personal growth, mentorship, networking, and community impact. Our Human Resources department is working closely with the network on efforts to promote a culture in which all Apache employees have a sense of belonging and feel valued as an asset to the company. Apache is committed to a workplace where all

employees have a voice and looks forward to courageous conversations and engagement opportunities with ABPN through which we can celebrate our diverse workforce and success together.

The Apache Young Professionals' Network is focused on providing its members with professional development as well as educational and social networking events, such as on-site learning, intramural sports and after-hours social gatherings. The AYPN is run by a board of 10 employees and currently has more than 350 members.

Like the other groups, the Apache Women's Network is open to all Apache employees, though the majority of members are female. Similar to the AYPN, it focuses on learning programs and networking. In addition to lunch-and-learn sessions, the AWN offers "master classes" with Apache

subject matter experts, along with social and networking activities such as a book club, happy hour events and networking receptions with Apache executives.

In partnership with our Human Resources department, the AWN also sponsors a successful mentorship program that pairs mentors with mentees for six-month periods (although some continue their relationships well beyond that).

The mentoring program grew from 24 participants in 2016 to 53 in 2019. To provide support to those who prefer a group approach, the AWN piloted its first team mentoring consisting of two mentors and three mentees in 2019.

TOP PLACE TO WORK

In 2019, for the fourth year in a row, Apache was selected as a top workplace by the Houston Chronicle, based on a third-party-administered survey of our employees.

Community

A DIFFERENTIATED APPROACH TO COMMUNITY

Apache actively engages with stakeholders in our communities to ensure we are maximizing positive contributions and minimizing any potential negative impacts of our business.

Community Engagement

Giving is embedded in who we are as a company. Our long-standing commitment to issues such as natural resources conservation and education has established a foundation for identifying opportunities where we can create lasting and sustainable positive impacts. In 2020, we are committing 100% of philanthropic dollars in support of causes that align with the United Nations Sustainable Development Goals.

PHILANTHROPY AND VOLUNTEERING

Apache supports a variety of causes and nonprofit organizations through direct corporate giving and employee matching gifts. Through our U.S. employee matching gift program, the company provides a dollar-for-dollar match for employee contributions made to charitable organizations consistent with our established areas of giving.

In 2019, we provided a special "flash match" enhancement to our U.S. matching gift program and created an opportunity to provide a double match (up to an additional $1,000 on top of the dollar-for-dollar match) for contributions made to the Muscular Dystrophy Association (MDA) during our annual employee fundraising drive. The combination of employee contributions, matching gifts and the special flash match incentive generated our highest fundraising amount for the MDA ever, raising more than 40% more than the prior year and providing opportunities for nearly 100 children with muscular dystrophy to participate in the MDA's Camp For All.

Organizations are based in the U.S. unless otherwise noted.

PROVIDING HELP DURING THE PANDEMIC

Apache is committed to supporting the communities in which we work and live during this very difficult time. From Midland to Cairo, Houston to Aberdeen, we have looked to address the most critical needs brought on by the pandemic.

We have supported those on the front lines through donations to the Fire Fighters Foundation of Houston and the Texas Organization of Rural & Community Hospitals for the purchase of personal protective equipment. In Egypt, we coordinated with the Ministry of Health to procure medical supplies for hospitals in Cairo. In Suriname, we partnered with Staatsolie, a state-owned oil and gas company,

to support the establishment of an intensive care unit to ensure readiness in case of increased need.

In Midland, Texas, Apache covered the cost of 1,400 internet hotspots for students who lacked reliable access to the internet for distance learning. In Houston, we are helping the Houston Area Women's Center provide temporary housing at local hotels for victims of domestic violence because shelters are at maximum capacity. We are also supporting local food banks in Aberdeen, U.K.; Houston; and Hobbs, New Mexico, in order to provide meals to those in need.

Philanthropy Across the Globe

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

— Anton de Kom University (Suriname)
— Balmorhea Independent School District
— Colorado School of Mines
— Marfa Education Foundation
— Midland ISD Education Foundation
— Rice University
— Springboard (Egypt), pp. 102-103
— TechFest (Scotland)
— Texas A&M University
— Texas Tech University
— University of Houston
— University of Texas

$$ for college scholarships for graduates of Balmorhea Independent School District in Far West Texas

MILITARY APPRECIATION
Apache honors employees who have served in the military as well as those employees with military loved ones.

— PTSD Foundation of America
— United Service Organizations (USO)
— Wounded Warrior Project

During 2019, Apache supported the USO's Force Behind the Forces® campaign. More than 180 Apache volunteers assembled bicycles for children of local military families and packed 8,500 supply kits containing toiletries, snacks and personal care items to be distributed to active military personnel in overseas locations. In the Midland office, employees have volunteered to "adopt" soldiers, purchasing care packages for individual service members with items such as snacks and toiletries.

ARTS
Apache has been a strong supporter of the arts since the founding of the company more than 60 years ago. We also have an active program to encourage our employees to enjoy the arts.

— Aberdeen International Youth Festival (Scotland)
— Alley Theatre
— Arts Council of Midland
— Black Cowboy Museum
— Houston Ballet
— Houston Museum of Natural Science
— Museum of the Southwest
— Music Hall Aberdeen (Scotland)
— Theatre Under The Stars
— Ucross Foundation

$26 MILLION donated to arts groups globally over the last 20 years

2019 GLOBAL COMMUNITY INVESTMENTS

- Arts — 5%
- Education* — 26%
- Environment — 26%
- Health — 19%
- Neighborhood Resources & Military Appreciation — 24%

*Education includes in-kind contributions for Springboard (Egypt).

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

— ALSAC/St. Jude Children's Research Hospital
— American Cancer Society
— American Heart Association
— Apache Employee Relief Fund
— Clini Clowns (Suriname)
— Diabetes Association Suriname
— Friends of ANCHOR (Scotland)
— Juvenile Diabetes Research Foundation
— Local hospitals and clinics (Egypt)
— Maggie's Centres (Scotland)
— MD Anderson Cancer Center
— Muscular Dystrophy Association
— National Multiple Sclerosis Society
— North East Rider Volunteers (Scotland)
— Project C.U.R.E.
— Ronald McDonald House
— University of Aberdeen's dementia research (Scotland)

$1.5 MILLION raised by Apache employees to combat Multiple Sclerosis in the U.S.

NEIGHBORHOOD RESOURCES
Apache believes it is important to support the communities where we operate.

— Apache Employee Relief Fund
— Break the Cycle
— Houston Aphasia Recovery Center
— Huize Tyltyl care facility (Suriname)
— Meals on Wheels
— Municipal and county law enforcement
— Mytylschool (Suriname)
— Orphanages (Egypt)
— Star of Hope
— Sticris women's shelter (Suriname)
— Volunteer fire departments
— West Texas Food Bank

Apache has a long legacy of providing aid in response to disasters. The Apache Employee Relief Fund (AERF) provides bridge funding to help employees recover from catastrophic events such as hurricanes, tornadoes, flooding, fires and medical emergencies. The goal is to ensure that employees and their families quickly receive assistance following devastation or loss. Funded through employee donations, the AERF has distributed approximately $919,000 to employees from its first disbursement in 2005 to the end of 2019.

ENVIRONMENT
Apache's environmental efforts aim to support conservation initiatives and preserve and enhance wild spaces.

— Apache Foundation/Ucross Ranch, p. 60
— Apache Tree Grant Program, p. 100
— Houston Parks and Recreation Department/Tour de Houston
— Louisiana Department of Wildlife and Fisheries
— McDonald Observatory, p. 101
— Pecos Watershed Conservation Initiative, p. 59
— Texas Parks and Wildlife Department, p. 101
— Trees for Tots program, p. 100

4.7 MILLION trees donated since 2005

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

PROJECT C.U.R.E
Through Project C.U.R.E. (Commission on Urgent Relief and Equipment), Apache has assisted the Surinamese medical community with much-needed medical supplies. Project C.U.R.E. was founded in 1987 as a way to allow organizations in the U.S. to donate high-quality medical supplies and equipment to resource-limited communities around the globe. Many of our employees in Texas regularly volunteer with Project C.U.R.E., helping to sort through medical donations and pack them for shipping containers.

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

Environmentally-focused Giving

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

APACHE TREE GRANT PROGRAM

For nearly 15 years, we have been donating trees to a wide variety of nonprofit and governmental organizations in the U.S., including cities, counties, schools, parks, universities, youth associations, wildlife refuges and community groups. In addition to using trees to beautify neighborhoods and preserve wildlife habitat, groups often request trees to support a range of other conservation efforts such as reforestation in areas affected by natural disasters.

In January 2020, Apache announced the donation of more than 61,000 trees through partnerships with 54 nonprofit organizations across Texas, Louisiana and New Mexico. In and around Houston, recipients included the city of Houston and the nonprofit Trees For Houston, which received a combined 4,100 trees to beautify public spaces throughout the Houston community, and Harris County Precincts 3 and 4, which received more than 7,300 trees combined. The Astros Golf Foundation, a new recipient in 2019, received 135 trees to benefit the restoration of Houston's Memorial Park, and Galveston Island Tree Conservancy was granted 400 trees for island residents to plant at their homes, promoting volunteerism and community involvement. The Texas Parks and Wildlife Department received more than 750 trees and 1,000 bareroot seedlings for communities throughout Central and West Texas, including Austin, El Paso, Blanco, Goliad and Brownsville. Also, thousands of trees were granted for plantings and community giveaways by organizations including the NOLA Tree Project in New Orleans; the

Coalition to Restore Coastal Louisiana; the city of Las Cruces, New Mexico; Keep Odessa Beautiful; and the city of Pecos, Texas.

Through our Trees for Tots Program, started in 2013, employees plant trees, provided by Apache, to celebrate the birth or adoption of a child to that employee's family. We hope to continue this tradition every year, planting more trees for our communities to enjoy.

CONSERVATION INITIATIVES

Apache is active in conservation efforts such as the Ucross Ranch in Wyoming, the Pecos Watershed Conservation Initiative in West Texas and New Mexico and, most recently, in Respect Big Bend in West Texas.

Through the Pecos Watershed Conservation Initiative, Apache works closely with eight oil and gas companies, the National Fish and Wildlife Foundation and the U.S. Department of Agriculture's Natural Resources Conservation Service to help protect the Pecos River watershed, home to many rare and endemic species. In 2019, Apache joined the Respect Big Bend stakeholder advisory group composed of Far West Texas landowners, nonprofits, community members and energy companies. Sponsored by the Cynthia and George Mitchell Foundation, Respect Big Bend is focused on providing solutions that balance energy development and conservation and addressing community needs and concerns about future development. (Learn more about these and other conservation programs on pp. 59-61.)

PARTNERING WITH PUBLIC PARKS

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

Most recently, we have worked closely with the Texas Parks and Wildlife Foundation to restore and improve Balmorhea State Park in West Texas. Apache led a matching gift campaign in 2018 to raise $2 million to repair the nearly 100-year-old spring-fed swimming pool at Balmorhea State Park. Many of Apache's contractors and landowners participated in the successful effort to raise the funds needed to do the delicate work of repairing the pool while protecting its unique aquatic habitat.

The fundraising campaign was completed in December 2018, and Apache's matching gift of $1 million was presented at the Texas Parks and Wildlife Commission meeting in January 2019. At the meeting, Apache CEO John Christmann made the surprise announcement that Apache would be donating 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.

In July 2019, Apache and the University of Texas at Austin's McDonald Observatory announced a partnership to strengthen the dark skies education initiative to mitigate the negative impacts of light pollution on the dark skies of West Texas. A $257,000 gift from Apache to the McDonald Observatory will fund ongoing efforts to educate the public on the importance of dark skies and the vital research of the observatory.

Creating Educational Opportunities for Girls in Egypt

We are in the 16th year of Springboard, our ambitious community project to help educate girls in remote areas of Egypt. In many rural villages, lack of local access to education and safety concerns regarding long-distance travel for young girls have resulted in limited educational opportunities.

Today, Apache remains one of the primary funding sources of the organization. Springboard also works with governmental and nongovernmental organizations, as well as individuals and other corporations, in support of the Egyptian government's Girls' Education Initiative.

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. Some of these students go on to middle schools and eventually pursue advanced degrees. We have also supported the construction of nine coeducational schools, which serve about 350 Bedouin students in areas near our drilling and production operations in the Western Desert of Egypt.

In an effort to expand upon the construction and renovation of school buildings, we set out to further advance the education 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.

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

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

GIRLS' SCHOOLS BY THE NUMBERS

201
schools built

15,000+
girls educated

600+
teachers and supervisors trained

Understanding and Addressing Stakeholder Concerns

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

We 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 these communities with dignity and respect. We listen to their concerns and do all that we reasonably can to address those concerns 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.

We consider stakeholder input 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 meetings, informal conversations and ongoing dialogue. We regularly meet with local emergency responders to make sure they know to call

our 24-hour emergency number immediately if they suspect there's a problem at one of our locations. We also work to coordinate assistance in the rare event of an incident.

In 2019, our Government Affairs team hosted a field tour for George P. Bush, land commissioner of Texas. We also hosted eight Texas Master Naturalists to discuss how Apache balances conservation with energy development. We explained the basics of our operations and oil and gas production while sharing Apache's philosophy and approach to responsible development.

In southern Reeves County, Texas, we continued our engagement with a Community Advisory Committee composed of local community members, including school superintendents, hospital administrators, landowners and small business owners, to discuss issues facing local residents. We are also continuing to develop our Apache Ambassador Program, which was created to give our workforce the knowledge and confidence necessary to be 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 impacts on other road users. When needed, we also implement dust suppression measures to reduce impacts on nearby residents and for the safety of other vehicles traveling the road.

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

Noise, light and odor are other common community concerns. We install sound barriers as needed, such as trees planted for noise and visual screening, and we use specialized lighting to reduce impacts on nearby residents. We have implemented a number of important modifications in our operations, including installing shielding on certain lights, experimenting with different fixtures and adjusting our lighting so it points downward rather than up toward the night sky. 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 concerns with us and for us to be able to document, address and resolve those concerns. Moreover, we strive for continuous improvement, making sure we learn from every complaint and try to avoid any

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

We have also established a tracking and ticketing system and a matrix for cataloging types of concerns raised. Each grievance is consolidated and maintained in a central system, and issues are routed to the appropriate contact for further action. All inquiries receive a thorough, individualized investigation to determine the underlying details and develop appropriate resolutions. Company representatives work to address each situation and provide a timely response to the inquiry. Most issues are resolved within 72 hours.

In 2019, the AIM call center received a total of 13 complaints through the Apache Good Neighbor Line. These complaints covered issues such as safety concerns, property damage, potential conflicts of interest, environmental and archeological concerns, and other matters. All of the complaints were addressed.

THE APACHE GOOD NEIGHBOR LINE

1-866-705-2400

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

Engaging with the Surinamese Community

Whether through education, training, employment or benefit agreements, Apache strives 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, we look for ways to make a meaningful impact on a variety of social causes. Investments have been made in areas such as local employment capacity building and health and welfare.

Local employment capacity building has been a continued area of focus as we aim to one day develop production facilities offshore. Apache was a key funder of a 2017 baseline survey to help understand the present-day labor capacity of the industrial service sector in Suriname. The survey found that there are 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 educational resources that will facilitate the participation of local talent in future offshore development.

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

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

Our community social projects in Suriname typically focus on health and welfare, particularly for disadvantaged communities. In 2019, we continued to engage with the Diabetes Association Suriname by facilitating the manufacture of footwear for patients in rural communities. We also initiated the construction of a women's shelter, a multiyear project, 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.

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

Human Rights

Respect for human rights is at the core of Apache's values and operations. Aimed at the honest, fair and dignified treatment of all human beings for whom our operations create opportunities, our Human Rights Principles formalize practices already in place.

We worked together with our long-term shareholders in a multiyear process to develop the foundation of the company's Human Rights Principles, which our Board of Directors formally adopted in 2013. The principles are consistent with the framework laid out by John Ruggie, the United Nations' special representative on business and human rights. In accordance with the principles, the company's monitoring results are thoroughly assessed and reported annually to the Corporate Governance and Nominating Committee of our Board.

Apache's Code of Business Conduct and Ethics provides additional protections to ensure that our employees can operate in a workplace free from discrimination.

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.

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

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.

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

In 2018, Apache partnered with Truckers Against Trafficking to support a human trafficking coalition build in the Permian Basin. In 2019, we helped sponsor the production of a first-of-its-kind training video, created by Truckers Against Trafficking, aimed at helping the oil and gas industry understand the realities of human trafficking and how the industry can work to combat these crimes.

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 are encouraged to phone the National Human Trafficking Hotline or call local law enforcement agencies.

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

NATIONAL HUMAN TRAFFICKING HOTLINE
Call **1-888-373-7888**
(TTY: 711)
Text **233733**

TWO EVENTS RAISE AWARENESS AND FUNDS TO COMBAT HUMAN TRAFFICKING

In January 2020, Apache supported the E.S.S.I. (Empower. Stand. Serve. Impact.) human trafficking awareness gala in Houston, chaired by Apache employee Essi Kwabi, to raise awareness of the crime and help prevent victimization. The event also helped to raise money to benefit the anti-trafficking organization Real Beauty Real Women. The gala, which sold out at 170 guests, raised more than $47,000 for the organization and its fight against human trafficking. It featured the internationally acclaimed advocate and survivor Alicia Kozakiewicz, who was America's first widely documented case of child trafficking, as well as several local and national influencers, including United Nations Ambassador, Farah Zulaikha, Bishop James Dixon and Rotary District Governor Gary Gillen.

Separately, and in partnership with the Oil and Gas Trafficking Awareness Group, Apache hosted a Human Trafficking Education and Awareness Event, which was attended by more than 120 employees. Kelly Litvak and her daughter Courtney Litvak, residents of the Houston area, were keynote presenters for this event and shared their personal experiences and their mission through their nonprofit, Childproof America, to increase awareness of the realities of human trafficking (particularly among children), the dangers of social media in recruiting victims, how to recognize the signs of trafficking, and the steps to take to safeguard families.

RESPECTING INDIGENOUS PEOPLE

An integral part of Apache's business is building enduring relationships with the communities in which we operate. This commitment recognition of, and respect for, indigenous people who live and work in these communities and have a strong connection to the land. We have endeavored to incorporate indigenous perspectives into project planning, design and execution, and 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.

At shareholders' request, we adopted a statement concerning indigenous peoples as part of our Human Rights Principles.

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

Local Economic Impacts

Apache's operations benefit local communities in the form of direct and indirect hiring and spending. The practice of hiring locally is one way in which Apache makes meaningful economic contributions to the communities where we operate. We offer competitive wages and benefits and actively recruit qualified candidates who demonstrate the necessary skills and experience that meet the requirements of particular jobs. (Learn more about local hiring on p. 90.)

Apache makes it a point to develop strong relationships with local suppliers and contractors. Though 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, 38% of their budgets with suppliers and contractors who are geographically local.

38%

of budget is spent with geographically local suppliers and contractors

2019 TOTAL LOCAL SPEND BY COUNTRY

$331 MILLION
UNITED KINGDOM

$805 MILLION
UNITED STATES

$408 MILLION
EGYPT

$9 MILLION
SURINAME

CASE STUDY

The Permian Strategic Partnership

Apache is a founding member of the Permian Strategic Partnership (PSP), a coalition of 20 energy companies partnering with local leaders in the Permian Basin to improve residents' quality of life by addressing growing challenges such as affordable housing, road safety, and access to quality health care and public education.

The PSP is working to build relationships with community stakeholders across the Permian Basin, helping the region come together to address problems. In 2019, the partnership's first full year in operation, it funded six projects in its major focus areas, using $30 million in direct contributions from member companies and leveraging millions more with local partners.

— **Housing Availability**: Facilitated teacher housing subsidies in Midland and Ector counties, Texas.

— **Safer Roads**: Working with a diverse range of local stakeholders, led a coordinated campaign to advocate for allocating state funds to improve roads across the Basin. The PSP succeeded in helping to secure $600 million from the Texas Department of Transportation and $12.5 million from the New Mexico Department of Transportation for transportation improvements.

— **Workforce Development**: Partnered with the city of Hobbs, New Mexico, and the JF Maddox Foundation to fund the construction and development of a career technical education high school that will serve up to 700 students and prepare them for technical jobs available across the region.

— **Health Access and Quality**: Funded an expansion of the Texas Tech University Health Sciences Center's Family Medicine Program and Mental Health Fellowship Program that will increase the number of primary care providers in the region. The program adds Pecos, Texas, and Carlsbad and Hobbs, New Mexico, as future locations for physician residents.

— **Public Education**: Collaborated with businesses, foundations and individuals to support bringing IDEA public charter schools to the area. IDEA plans to have seven schools in operation across Midland and Odessa, Texas, by the 2024–25 school year.

— **Overarching**: Funded grant writers in Lea and Eddy counties, New Mexico, to draft grant proposals to assist in securing state and federal funding for projects within the PSP's focus areas.

APACHE'S ROLE

Apache is taking an active role in the PSP. Apache employees serve 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. Moving forward, we will continue to work collaboratively with our industry peers and neighbors to help enhance quality of life and the long-term sustainability of the greater Permian community.

COMMUNITY-BASED FOCUS AREAS

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

HOUSING AVAILABILITY
addressing short supply and improving affordability

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

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

HEALTH ACCESS AND QUALITY
addressing high patient-to-physician ratios and improving access to health care services

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

Appendix

Key Performance Data

Global Water Use By Source	Units	2019	2018	2017	2016	2015
Water consumption	Mbbls	524,800	604,100	566,500	676,200	681,400
Fresh water	Mbbls	25,400	28,100	32,900	29,900	49,000
Groundwater	Mbbls	24,300	23,900	27,000	23,600	34,800
Surface water	Mbbls	400	2,400	2,500	3,300	10,000
Municipal water	Mbbls	700	1,800	3,400	3,000	4,200
Nonfresh water	Mbbls	499,400	576,000	533,600	646,300	632,400
Groundwater	Mbbls	88,000	97,400	90,500	80,100	84,300
Surface water	Mbbls	1,000	—	800	—	4,100
Produced water (recycled)	Mbbls	410,400	478,600	442,300	566,200	544,000
Water withdrawals	Mbbls	1,057,800	994,600	968,700	1,150,700	1,218,000
Produced water (total)	Mbbls	943,300	869,200	844,500	1,040,700	1,080,600
Global Water Metrics						
Nonfreshwater consumption	%	95	95	94	96	93
Total consumption recycled/reused	%	78	79	78	84	80
Nonfreshwater withdrawals	%	98	97	97	97	96
Total withdrawals recycled/reused	%	39	48	46	49	45
Water consumption intensity	bbls/boe	1.8	1.8	1.7	1.8	2.0
U.S. Hydraulic Fracturing Water Use						
Nonfreshwater	%	12	22	20	17	25
Produced water captured for reuse	%	51	46	27	13	17
Total nonfreshwater (including produced water)	%	63	68	47	30	41
Global Greenhouse Gas Emissions[1]						
Operated direct emissions[2] (Scope 1)	Thousand tCO_2e	6,550	7,580	6,950	7,450	6,850
Carbon dioxide	Thousand tCO_2e	4,900	5,770	5,100	5,200	4,600
Methane	Thousand tCO_2e	1,600	1,760	1,800	2,200	2,200
Nitrous oxide	Thousand tCO_2e	50	50	50	50	50
Operated direct emissions (Scope 1) by source						
Flaring	Thousand tCO_2e	1,610	1,970	2,030	2,020	1,710
Venting	Thousand tCO_2e	460	810	660	730	870
Fuel combustion	Thousand tCO_2e	3,500	3,920	3,310	3,480	3,120
Fugitives	Thousand tCO_2e	980	880	950	1,220	1,150
Operated indirect emissions (Scope 2)	Thousand tCO_2e	690	800	850	1,100	1,270
Global Emissions Intensities[3]						
Global greenhouse gas emissions intensity	$tCO_2e/Mboe$	20.5	22.2	21.5	21.7	22.6
Global methane emissions intensity	%	0.37	0.40	0.42	0.48	0.63
Global Energy Use						
Energy use	Thousand MWh	4,710	5,320	4,730	5,200	5,110
Combustion energy	Thousand MWh	3,670	4,120	3,450	3,650	3,310
Electricity	Thousand MWh	1,040	1,200	1,280	1,550	1,800
Spills						
Hydrocarbon spills	No. >1 barrel in size	187	341	302	299	417

Health and Safety	Units	2019	2018	2017	2016	2015
Hours worked – workforce	Million hours	53	54	53	44	53
Employee Total Recordable Incident Rate	Per 200,000 hours worked	0.09	0.28	0.24	0.19	0.44
Contractor Total Recordable Incident Rate	Per 200,000 hours worked	0.54	0.80	0.67	0.69	0.91
Workforce Total Recordable Incident Rate	Per 200,000 hours worked	0.41	0.65	0.56	0.52	0.76
Employee Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	0.07	0.17	0.10	0.09	0.24
Contractor Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	0.21	0.40	0.28	0.37	0.44
Workforce Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	0.17	0.33	0.23	0.27	0.37
Vehicle Incident Rate	Per million miles driven	0.79	1.29	1.24	1.41	1.29
Workforce fatalities	#	7	1	4	2	4
Employee fatalities	#	1	0	0	0	1
Contractor fatalities	#	6	1	4	2	3
Our People						
Global full-time employees	#	3,163	3,420	3,358	3,726	3,847
United States	#	2,132	2,441	2,411	2,220	2,246
United Kingdom	#	638	590	560	623	672
Egypt	#	385	388	386	394	407
Suriname	#	8	1	1	1	1
Canada[4]	#	—	—	—	488	521
Economic Contributions						
Total local vendor spend	$ Million	1,553	1,443	1,090	869	1,709
Total global vendor spend	$ Million	4,116	4,615	4,071	2,950	6,852
Local spend percentage	%	38	31	27	29	25
Community Investments						
Education[5]	%	26	45	32	35	37
Health	%	19	11	15	23	30
Neighborhood Resources and Military Appreciation	%	24	8	-	-	-
Arts	%	5	4	2	3	3
Environment	%	26	24	24	18	15
Employee Giving[6]	%	N/A	8	27	21	15
Financial and Production Highlights						
Oil and gas production revenues	$ Million	6,315	7,348	5,887	5,367	6,510
Natural gas production	MMcf/d	980	966	958	1,103	1,149
Oil and natural gas liquids production	Mbbls/d	310	305	298	338	352
Proved reserves	MMboe	1,011	1,234	1,175	1,311	1,564

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

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

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

[4] Canada assets were sold in August 2017.

[5] Education includes in-kind contributions for Springboard.

[6] In 2019, Employee Giving, which reflects company match on employee charitable contributions, is allocated among all Areas of Giving. Employee Giving equaled 11% of total community investments in 2019.

Key to Abbreviations

Mbbls = thousands of barrels

Bbls/boe = barrels of water per barrels of oil equivalent

tCO2e/Mboe = tonnes of carbon dioxide equivalent per thousands of barrels of oil equivalent

MWh = megawatt hour

MMcf/d = millions of cubic feet of natural gas per day

Mbbls/d = thousands of barrels of oil or natural gas liquids per day

MMboe = millions of barrels of oil equivalent

Awards and Recognitions

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

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

2019

— Top Workplace in Houston – *The Houston Chronicle*

— Top Workplace in San Antonio – *San Antonio Express-News*

— Texan by Nature 20 – Texan by Nature

— America's Most JUST Companies 2020 – *Forbes*

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

— Bruno Hanson Environmental Excellence Award – Midland College

— E&P Company of the Year – Oil & Gas Awards

— Ranked second among the 30 largest publicly traded producers of oil and gas in North America – *Disclosing the Facts 2019: Transparency and Risk in Water & Chemicals Management for Hydraulic Fracturing Operations*

— America's Best Midsize Employers 2019 – *Forbes*

— DEG Corporate Award for Excellence in Environmental Stewardship – American Association of Petroleum Geologists' Division of Environmental Geosciences

— 2019 Breakfast of Corporate Champions (for having 30% or more women on our Board of Directors) – Women's Forum of New York

Board Matrix

The table below provides additional detail on the Board of Directors' experience and demographics.

	Annell Bay	John Christmann	Juliet Ellis	Chansoo Joung	Rene Joyce	John Lowe	William Montgomery	Amy Nelson	Daniel Rabun	Peter Ragauss
KNOWLEDGE, SKILLS AND EXPERIENCE										
Public Company CEO Experience		✕			✕				✕	
Public Company CFO Experience										✕
Executive Experience	✕	✕	✕		✕	✕			✕	✕
Financial Reporting		✕	✕	✕	✕	✕	✕	✕	✕	✕
Risk Management	✕	✕	✕	✕	✕	✕	✕	✕	✕	✕
Accounting			✕			✕			✕	✕
Corporate Governance/Ethics	✕	✕	✕			✕	✕	✕	✕	✕
Environmental/Regulatory	✕	✕			✕	✕		✕	✕	
Legal					✕				✕	
Global Experience	✕	✕	✕	✕	✕	✕			✕	✕
Operations	✕	✕				✕		✕		✕
Strategic Planning/Oversight		✕	✕		✕	✕	✕	✕	✕	✕
Mergers and Acquisitions		✕		✕	✕	✕	✕	✕	✕	✕
Upstream Experience	✕	✕		✕	✕	✕	✕	✕	✕	✕
Midstream Experience		✕		✕	✕	✕	✕		✕	✕
DEMOGRAPHIC BACKGROUND										
Ethnic Minority				✕						
Gender (male/female)	F	M	F	M	M	M	M	F	M	M
Age in Years (as of April 3, 2020)	64	53	61	59	72	61	58	51	65	62
Board Tenure (year joined)	2014	2015	2019	2011	2017	2013	2011	2014	2015	2014
Number of Public Company Boards (including Apache)	3	1	2	2	2	3	2	3	3	2

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 Apache-operated areas as of June 30, 2020.

EGYPT

NORTH AMERICA

This map excludes Apache operations in the Gulf of Mexico.

SURINAME

UK NORTH SEA

Water Risk Level

▨ Apache Operations	Low	Low-Medium	Medium-High	High	Extremely High
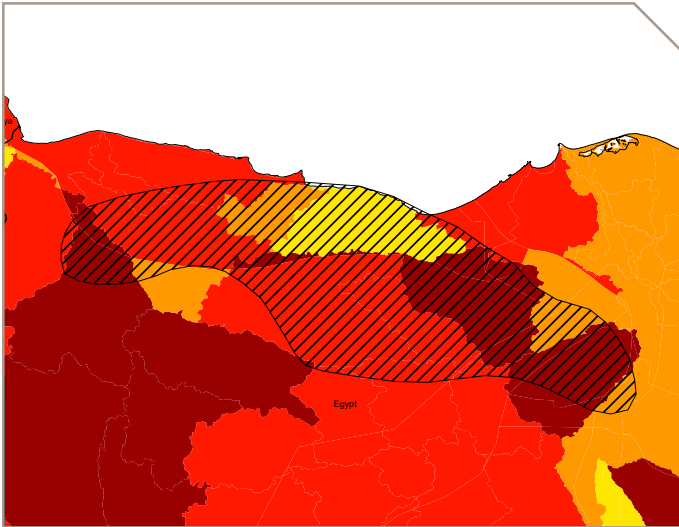
Reporting Standards and Scorecards

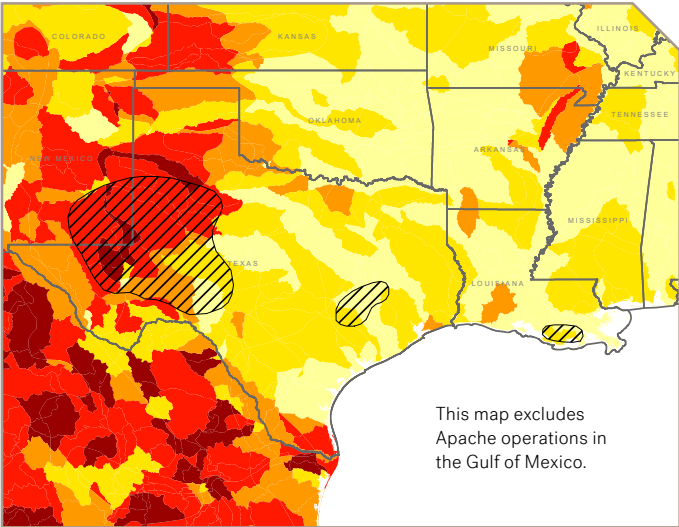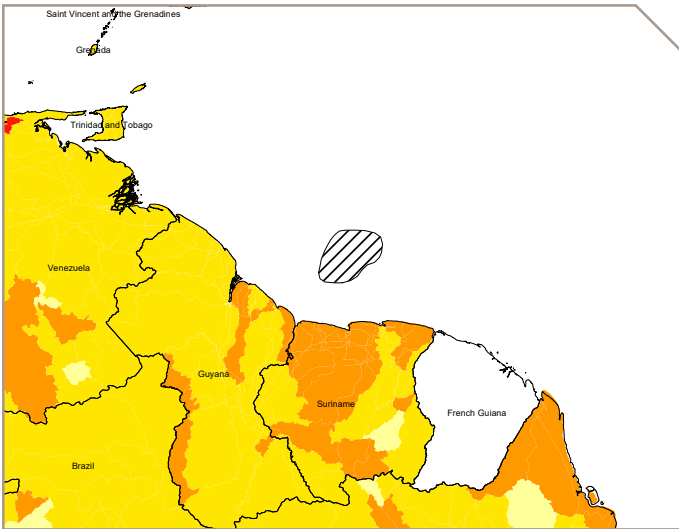This report was prepared using the Global Reporting Initiative (GRI) Sustainability Reporting Standards and is in accordance with the GRI Standards at the core level. We also include indicators from *IPIECA's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting,* the Sustainability Accounting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

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 102: GENERAL DISCLOSURES (2016)		
102-1	Name of the organization	p. 12
102-2	Activities, brands, products and services	p. 12 2019 Form 10-K, pp. 11-12
102-3	Location of headquarters	Apache Corporation is headquartered in Houston, Texas.
102-4	Location of operations	pp. 18-19 2019 Form 10-K, pp. 2-6
102-5	Ownership and legal form	2019 Form 10-K, p. 1
102-6	Markets served	2019 Form 10-K, pp. 2-6
102-7	Scale of the organization	2019 Form 10-K, pp. 2-8, 11-12, 31-33
102-8	Information on employees and other workers	pp. 15, 26-27, 89-90, 115, 117 2019 Form 10-K, p. 12
102-9	Supply chain	p. 63
102-10	Significant changes to the organization and its supply chain	pp. 18-19, 109 2019 Form 10-K, pp. F-20-F-22 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. 27-28
102-12	External initiatives	pp. 17, 44
102-13	Membership of associations	pp. 17, 44, 63
102-14	Statement from senior decision-maker	pp. 4-5
102-15	Key impacts, risks and opportunities	pp. 4-11, 16-17, 20-21 2019 Form 10-K, pp. 14-24
102-16	Values, principles, standards and norms of behavior	pp. 1, 29-31 Code of Business Conduct and Ethics
102-17	Mechanisms for advice and concerns about ethics	pp. 29-31 Code of Business Conduct and Ethics
102-18	Governance structure	pp. 14-15, 24-28 Corporate Governance Principles

Disc. #	Disclosure Title	Location in Report/Response/Omission
102-19	Delegating authority	pp. 14-15, 24-28, 35
102-20	Executive-level responsibility for economic, environmental and social topics	p. 16 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. 14-17, 24-27
102-22	Composition of the highest governance body and its committees	pp. 14-15, 24-28, 117 2020 Proxy Statement, pp. 7-15 Corporate Governance Principles
102-23	Chair of the highest governance body	pp. 14-15, 24-27, 117 2020 Proxy Statement, p. 10 Corporate Governance Principles
102-24	Nominating and selecting the highest governance body	2020 Proxy Statement, p. 16 Corporate Governance Principles, p. 2
102-25	Conflicts of interest	2020 Proxy Statement, p. 66 Code of Business Conduct and Ethics
102-26	Role of the highest governance body in setting purpose, values and strategy	pp. 14-15, 24-27 Corporate Governance Principles
102-27	Collective knowledge of the highest governance body	pp. 14-15, 24-27, 117 Corporate Governance Principles, pp. 4, 6
102-28	Evaluating the highest governance body's performance	Corporate Governance Principles, p. 4
102-29	Identifying and managing economic, environmental and social impacts	pp. 13-17 2020 Proxy Statement, pp. 13-14
102-30	Effectiveness of risk management processes	pp. 27-28 2020 Proxy Statement, pp. 13-14
102-31	Review of economic, environmental and social topics	pp. 14-15 2020 Proxy Statement, pp. 13-14
102-32	Highest governance body's role in sustainability reporting	The Board of Directors' Corporate 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 pp. 28-29).
102-33	Communicating critical concerns	pp. 29-31 2020 Proxy Statement, p. 13 Code of Business Conduct and Ethics
102-35	Remuneration policies	2020 Proxy Statement, pp. 26-53
102-36	Process for determining remuneration	2020 Proxy Statement, pp. 26-53

Disc. #	Disclosure Title	Location in Report/Response/Omission
102-38	Annual total compensation ratio	2020 Proxy Statement, p. 65
102-40	List of stakeholder groups	pp. 17, 33-34
102-41	Collective bargaining agreements	2020 Proxy Statement, p. 34
102-42	Identifying and selecting stakeholders	pp. 17, 33-34
102-43	Approach to stakeholder engagement	pp. 17, 33-34
102-44	Key topics and concerns raised	pp. 16-17, 33-34, 104-105
102-45	Entities included in the consolidated financial statements	2019 Form 10-K, pp. 1-6, 11-12
102-46	Defining report content and topic boundaries	pp. 16-17 We determined the content for this report based on the issues we understand to be most important to our company and our stakeholders. We conducted an analysis of our most important issues following the Global Reporting Initiative's materiality guidance as laid out in GRI Standard 101: Foundation, 2016. We also followed GRI's principles for stakeholder inclusiveness, understanding sustainability context and completeness. We determined the boundary for each of our material topics based on where the impact occurs, either through the direct actions of our own organization or indirectly through a business partner.
102-47	List of material topics	p. 16
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, 2019. Some additional information on important sustainability-related activities that occurred in 2020 before publication of this report is also included.
102-51	Date of most recent report	December 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Rajesh Sharma, Corporate Secretary, Apache Corporation, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056-4400
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This index
102-56	External assurance	p. 21 Some financial data included in our annual Form 10-K have been externally assured, as noted in the 10-K.

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 201: ECONOMIC PERFORMANCE (2016)		
103-2	The management approach and its components	2019 Form 10-K, pp. 28-48 All management approach disclosures — identified in this index with the Disclosure numbers 103-1, 103-2 and 103-3 — are from GRI Standards 103: Management Approach (2016).
103-3	Evaluation of the management approach	pp. 27-29 2019 Form 10-K, pp. 28-48
201-1	Direct economic value generated and distributed	p. 115 2019 Form 10-K, pp. F-33-F-36, F-53-F-55
201-2	Financial implications and other risks and opportunities due to climate change	pp. 45-50 2019 Form 10-K, pp. 15, 21
201-3	Defined benefit plan obligations and other retirement plans	2019 Form 10-K, pp. F-41-F-44
GRI 203: INDIRECT ECONOMIC IMPACTS (2016)		
103-1	Material topic and boundaries	pp. 7-11, 90, 96-106, 110-111 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 7-11, 13-15, 90, 96-111
103-3	Evaluation of the management approach	pp. 13-15, 27-29
203-1	Infrastructure investments and services supported	pp. 7-11, 90, 96-111
203-2	Significant indirect economic impacts	pp. 7-11, 17, 90, 96-111
GRI 204: PROCUREMENT PRACTICES (2016)		
103-1	Material topic and boundaries	pp. 16-17, 90 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 13-15, 26-31, 90
103-3	Evaluation of the management approach	pp. 27-29
204-1	Proportion of spending on local suppliers	pp. 90, 109
GRI 205: ANTI-CORRUPTION (2016)		
103-2	The management approach and its components	pp. 13-15, 26-31 Code of Business Conduct and Ethics
103-3	Evaluation of the management approach	pp. 13-15, 26-31
205-2	Communication and training about anti-corruption policies and procedures	pp. 30-31 Code of Business Conduct and Ethics
GRI 302: ENERGY (2016)		
103-1	Material topic and boundaries	pp. 16-17, 40-50 Issue boundary - inside and outside the organization

Disc. #	Disclosure Title	Location in Report/Response/Omission
103-2	The management approach and its components	pp. 13-16, 26-31, 38-50
103-3	Evaluation of the management approach	pp. 13-15, 27-29
302-1	Energy consumption within the organization	pp. 41-43, 114
GRI 303: WATER (2016)		
103-1	Material topic and boundaries	pp. 16-17, 52 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 13-16, 26-31, 38, 51-57
103-3	Evaluation of the management approach	pp. 13-15, 27-29
303-1	Water withdrawal by source	p. 114
303-3	Water recycled and reused	pp. 53-57, 114
GRI 304: BIODIVERSITY (2016)		
103-2	The management approach and its components	pp. 13-16, 26-31, 38, 59-61
103-3	Evaluation of the management approach	pp. 27-29
304-2	Significant impacts of activities, products and services on biodiversity	pp. 59-61
304-3	Habitats protected or restored	pp. 59-61
GRI 305: EMISSIONS (2016)		
103-1	Material topic and boundaries	pp. 16-17, 40-50 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 13-16, 26-31, 38-50
103-3	Evaluation of the management approach	pp. 13-15, 27-29, 110-111
305-1	Direct (Scope 1) greenhouse gas emissions	p. 114
305-2	Indirect (Scope 2) greenhouse gas emissions	p. 114
305-4	Greenhouse gas emissions intensity	pp. 41-43, 114
305-5	Reduction of greenhouse gas emissions	pp. 40-41, 44, 114
GRI 306: EFFLUENTS AND WASTE (2016)		
103-1	Material topic and boundaries	pp. 16-17, 52, 56, 62-65 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 13-15, 26-31, 38, 52, 56, 62-65
103-3	Evaluation of the management approach	pp. 13-15, 27-29
306-2	Waste by type and disposal method	pp. 64-65
306-3	Significant spills	p. 114

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)		
103-1	Material topic and boundaries	pp. 16-17, 38-65 Issue boundary — inside the organization
103-2	The management approach and its components	pp. 13-16, 26-31, 38-65
103-3	Evaluation of the management approach	pp. 13-16, 27-29
307-1	Noncompliance with environmental laws and regulations	2019 Form 10-K, pp. F-37-F-39 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. 13-16, 26-31, 74-75
103-3	Evaluation of the management approach	pp. 27-29, 74-75
308-1	New suppliers that were screened using environmental criteria	pp. 74-75 All field-based contractors are screened on environmental criteria.
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2016)		
103-1	Material topic and boundaries	pp. 16-17, 66-81 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 13-16, 26-31, 66-79
103-3	Evaluation of the management approach	pp. 14-16, 24-29
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	pp. 77, 115
GRI 404: TRAINING AND EDUCATION (2016)		
103-2	The management approach and its components	pp. 13-16, 26-31, 84-86
103-3	Evaluation of management approach	pp. 27-29, 84-86
404-1	Hours of training	p. 85
GRI 405: DIVERSITY AND INCLUSION (2016)		
103-2	The management approach and its components	pp. 13-16, 26-31, 88-89
103-3	Evaluation of management approach	pp. 13-15, 26-31, 88-89
405-1	Diversity of governance bodies and employees	pp. 24-25, 89, 117
GRI 411: RIGHTS OF INDIGENOUS PEOPLES (2016)		
103-2	The management approach and its components	pp. 13-16, 26-31, 107-108 Statement on Indigenous Peoples
103-3	Evaluation of the management approach	pp. 24, 27-29, 107-108

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 412: HUMAN RIGHTS ASSESSMENT (2016)		
103-2	The management approach and its components	pp. 13-16, 26-31, 107-108 Statement on Indigenous Peoples Human Rights Principles
103-3	Evaluation of the management approach	pp. 24, 27-29, 107-108
GRI 413: LOCAL COMMUNITIES (2016)		
103-1	Material topic and boundaries	pp. 7-11, 16-17, 96-109 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 13-16, 26-31, 96-106, 110-111
103-3	Evaluation of the management approach	pp. 27-29, 96-106, 110-111
413-1	Operations with local community engagement, impact assessments and development programs	pp. 96-106, 110-111
413-2	Operations with significant actual and potential negative impacts on local communities	pp. 96-106, 110-111
GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)		
103-2	The management approach and its components	pp. 13-16, 26-31, 74-75
103-3	Evaluation of the management approach	pp. 27-29, 74-75
414-1	New suppliers that were screened using social criteria	pp. 74-75 All field-based contractors are screened on health, safety and environmental criteria.
GRI 415: PUBLIC POLICY (2016)		
103-1	Material topic and boundaries	pp. 16-17, 31-32 Issue boundary — inside and outside the organization
103-2	The management approach and its components	pp. 13-15, 26-32 Policy on Political Contributions and Lobbying
103-3	Evaluation of management approach and its components	pp. 27-29, 31-32
415-1	Political contributions	pp. 31-32 2019 Political Contributions

IPIECA'S OIL AND GAS INDUSTRY GUIDANCE ON VOLUNTARY SUSTAINABILITY REPORTING, 3RD EDITION (REVISED 2016)

Disc. #	Disclosure Title	Location in Report/Response
ENVIRONMENTAL ISSUES		
IPIECA E1	Greenhouse gas emissions	pp. 40-50, 114
IPIECA E5	Biodiversity and ecosystem services	pp. 59-61
IPIECA E6	Fresh water	pp. 38, 52-55, 114
IPIECA E9	Spills to the enironment	pp. 62-63, 114
HEALTH AND SAFETY ISSUES		
IPIECA HS1	Workforce participation	pp. 68-77
IPIECA HS3	Occupational injury and illness	pp. 77, 115
SOCIAL AND ECONOMIC ISSUES		
IPIECA SE1	Local community impacts and engagement	pp. 96-111
IPIECA SE2	Indigenous peoples	pp. 24, 107-108 Statement on Indigenous Peoples Human Rights Principles
IPIECA SE4	Social investment	pp. 96-103, 115
IPIECA SE5	Local content practices	p. 109
IPIECA SE6	Local hiring practices	p. 90
IPIECA SE8	Human rights due diligence	pp. 107-108 Human Rights Principles
IPIECA SE11	Preventing corruption	pp. 29-31 Code of Business Conduct and Ethics
IPIECA SE14	Public policy and lobbying	pp. 31-32 Policy on Political Contributions and Lobbying
IPIECA SE16	Workforce engagement	pp. 87, 92-93
IPIECA SE17	Workforce training and development	pp. 84-86
IPIECA SE18	Nonretaliation and grievances	pp. 29-30, 105, 107-108 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	2019 Form 10-K, pp. 2, 6-7
EM-EP-000.B	Number of offshore sites	2019 Form 10-K, pp. 2, 6-7
EM-EP-000.C	Number of terrestrial sites	2019 Form 10-K, pp. 2, 6-7
GREENHOUSE GAS EMISSIONS		
EM-EP-110a.1	Gross global Scope 1 emissions	p. 43, 114
EM-EP-110a.2	Gross global Scope 1 emissions by source	p. 114
EM-EP-110a.3	Emissions reduction plans, targets and performance	pp. 40-44
WATER MANAGEMENT		
EM-EP-140a.1	Freshwater withdrawal and consumption, including in regions of high baseline water stress	pp. 52-55, 114
EM-EP-140a.2	Volume of produced water and flowback generated, discharged, injected, recycled	pp. 52-55, 114
EM-EP-140a.3	Percentage of wells with disclosure of fracturing chemicals	p. 51
BIODIVERSITY IMPACTS		
EM-EP-160a.1	Environmental management practices for active sites	pp. 16, 59-61
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills	p. 114
SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES		
IEM-EP-210a.3	Engagement and due diligence practices on human and indigenous rights	pp. 107-109
COMMUNITY RELATIONS		
EM-EP-210b.1	Process to manage risks and opportunities associated with community rights and interests	pp. 33-34, 104-105, 110-111
WORKFORCE HEALTH AND SAFETY		
EM-EP-320a.1	Safety performance and training	pp. 68-77, 115
EM-EP-320a.2	Management systems used to integrate a culture of safety	pp. 68-77
BUSINESS ETHICS AND TRANSPARENCY		
EM-EP-510a.2	Prevention of corruption and bribery throughout the value chain	pp. 29-31
CRITICAL INCIDENT RISK MANAGEMENT		
EM-EP-540a.1	Tier 1 loss of primary containment events	p. 114

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Disclosure Title	Location in Report
GOVERNANCE	
Board's oversight of climate-related risks and opportunities	pp. 13-16, 26-35, 45-50
Management's role in assessing and managing climate-related risks and opportunities	pp. 13-16, 26-35, 45-50
STRATEGY	
Climate-related risks identified	pp. 45-50
Impact of climate-related risks and opportunities on strategy	pp. 45-50
Resilience of strategy under different climate-related scenarios	pp. 45-50
RISK MANAGEMENT	
Organization's processes for identifying and assessing climate-related risks	pp. 14-15, 26-28, 45-50
Organization's processes for managing climate-related risks	pp. 14-15, 26-28, 45-50, 52 2019 Form 10-K, pp. 15, 21
Processes for identifying, assessing and managing climate-related risks in overall risk management processes	pp. 14-15, 26-28, 45-50, 52
METRICS AND TARGETS	
Metrics used to assess climate-related risks and opportunities	pp. 40-50, 52, 114
Scope 1 and 2 greenhouse gas emissions	pp. 40-50, 114
Targets used to manage climate-related risks and opportunities and performance	pp. 16, 40-50

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

The table below provides locations in this report that describe how Apache's work is helping to drive progress toward the U.N. Sustainable Development Goals. While we support the overall effort to encourage sustainable development across the 17 major categories covered by the goals, we have highlighted in bold the SDGs we believe are most applicable to Apache's operations.

U.N. Sustainable Development Goal	Location in Report
Goal 1: End poverty in all its forms everywhere	pp. 4-11, 90, 96-105, 109-111
Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	pp. 60-61, 96-103
Goal 3: Ensure healthy lives and promote well-being for all at all ages	**pp. 4-11, 40-57, 62-63, 68-81, 87, 96-99, 107-111**
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	**pp. 4-11, 84-86, 98, 102-103, 110-111**
Goal 5: Achieve gender equality and empower all women and girls	**pp. 4-11, 26-27, 88-93, 98, 102-103, 117**
Goal 6: Ensure availability and sustainable management of water and sanitation for all	**pp. 4-11, 40-50, 52-57**
Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	**pp. 4-11, 40-50**
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	**pp. 90, 98, 102-103, 106, 109-111**
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	pp. 4-11, 98, 102-103, 110-111
Goal 10: Reduce inequality within and among countries	pp. 4-11, 90, 98, 102-106, 109
Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	pp. 107-108, 110-111
Goal 12: Responsible consumption and production — ensure sustainable consumption and production patterns	pp. 4-11, 36-80
Goal 13: Take urgent action to combat climate change and its impacts	pp. 40-50, 52
Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	pp. 59-61, 63, 96-101
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. 52-57, 59-61, 98-101**
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. 29-31, 104-108
Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	pp. 44, 59, 110-111

FORWARD-LOOKING STATEMENTS AND RISK

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts, including information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives, are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations are included in the company's annual and quarterly reports filed with the Securities and Exchange Commission.