

Letter from the CEO

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

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

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

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

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



John J. Christmann IV, Chief Executive Officer and President

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

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

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

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