



Sustainable Performance  
Responsible Growth



2016 CORPORATE SOCIAL RESPONSIBILITY REPORT



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## About this Report

### **GRI 4.0 Guidelines**

The 2016 Corporate Social Responsibility report for EQT Corporation (EQT or Company) represents the Company's ongoing commitment to transparency and accountability in its operations. This is the fifth consecutive report prepared using the Global Reporting Initiative (GRI) standards and technical protocols to determine the materiality of data, methods for reporting data, and validating completeness. The report adheres to GRI 4.0 standards, including the updated Oil & Gas Sector Supplement (OGSS), which provide a more detailed account of performance in categories that are most important to the Company and its stakeholders.

### **Report Boundaries**

This report includes activities at EQT headquarters and at all locations of EQT's Production and Midstream business segments occurring January 1, 2015 to December 31, 2015. The EQT midstream data in the report includes the operations of EQT Midstream Partners, LP (EQM) — a publicly traded limited partnership formed by EQT in 2012 to own, operate, acquire, and develop midstream assets in the Appalachian basin. Also included are the financial and operating results of EQT GP Holdings, LP (EQGP), a publicly traded limited partnership created by EQT in 2015 to own the Company's EQM partnership interests, including the incentive distribution rights. Due to EQT's ownership of EQM and EQGP, unless otherwise noted, discussions in this report regarding the Midstream segment's business, operations, and results include the business, operations, and results of EQT, EQGP, and EQM. Not included in the report are EQT's foreign subsidiaries, which are now inactive.

### **Defining Material Aspects**

The primary objective for preparing an annual sustainability report is to identify and disclose valuable information to EQT's stakeholders — helping them understand how the Company operates as a safe, responsible, and accountable corporate citizen. This commitment to transparency ensures that EQT discloses information that is most important in assessing its performance in several key areas of sustainability and corporate responsibility. The Company works continually to update those sustainability topics of most relevance to the business and its stakeholders.

### **In Accordance Option**

EQT is pleased to announce that its 2016 Corporate Social Responsibility report was prepared in accordance with the criteria defined by the GRI 4.0 and the current OGSS, and that the report complies with the **In Accordance – Comprehensive** option. A self-assessment of the report was conducted; however, the report was not submitted for external assurance. EQT's Corporate Director, Communications is accountable for compiling, verifying, and approving the information contained in this sustainability report, including ensuring that all relevant material aspects are covered.

## Message from the CEO



Dear Stakeholders,

As EQT Corporation approaches 130 years in the natural gas industry, the Company and its employees have endured the cyclical ups and downs of a boom or bust business, however, one constant has remained unchanged — a commitment to responsibility, sustainability, and innovation.

When the Company originated in 1888, one of the strategic priorities was to help bring clean, reliable, and affordable energy to the homes and businesses of western Pennsylvania. During the next century, EQT acquired leases across Appalachia for drilling and storage fields — and as the industry grew, and natural gas became a mainstream energy source, our Company expanded its focus to include innovative ways to address the social and economic impacts of its activities.

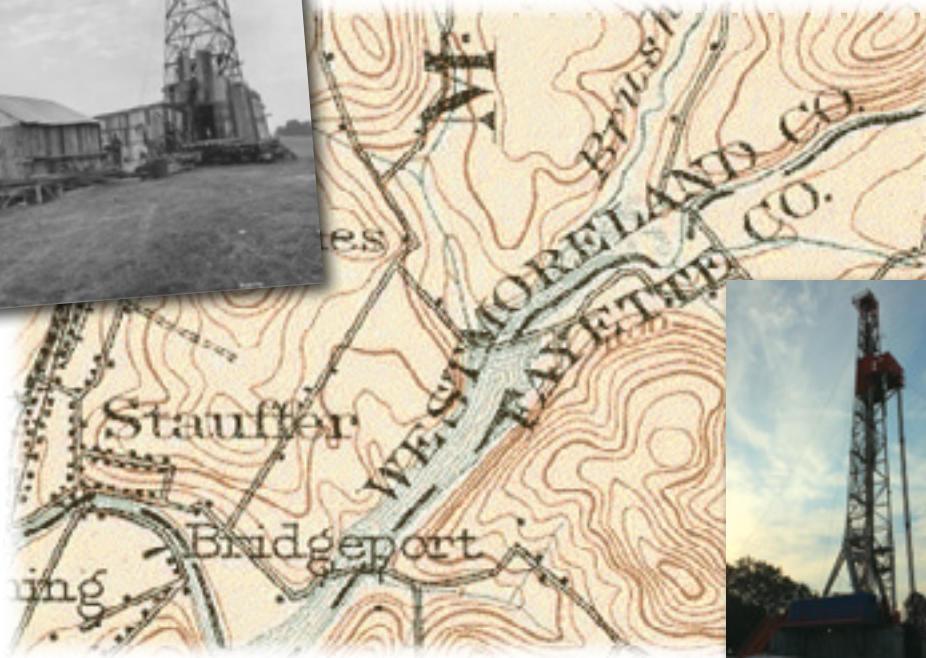
EQT still has similar strategic priorities for sustainability, although the methodology for managing the impacts has changed considerably. This 2016 Corporate Social Responsibility report looks back at the roots of EQT's social, economic, and environmental performance. We revisit milestones in our path to continued success, share our 2015 performance, and set the stage for the Company's long-term strategy to grow responsibly.

As a leader in the natural gas industry, EQT recognizes its responsibility to be transparent and accountable. To us, that means helping stakeholders understand the origins, risks, costs, and benefits associated with natural gas development. It also means raising awareness of the significant improvements that have taken place, and continue to evolve, to ensure safe operations, protect our environment, create jobs, and boost our local and national economies.

Our world may look very different today than it did 100 years ago, but one thing hasn't changed. EQT is here for the long run — during a boom or bust — because continuous improvement drives the EQT business model for responsible growth. With this report, we are proud to share the results of our efforts to achieve sustainable performance for our shareholders, employees, customers, and the communities where we live and work.

A handwritten signature in black ink that reads "David L. Porges". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

David L. Porges  
Chief Executive Officer  
EQT Corporation



## *For Centuries...Leading the Way*

**In 1878,** Obediah and Michael Haymaker discovered natural gas while drilling for oil in Westmoreland County, Pennsylvania.

Depth of the well:

**1,400 feet**

Initial production, per day:

**34 mil. cu. feet**

**In 2015,** EQT's record-breaking Utica well in Greene County, Pennsylvania, was drilled.

Depth of the well:

**13,000 feet**

Initial production, per day:

**72.9 mil. cu. feet**



## ABOUT EQT

### A History of Industry Leadership and Experience<sup>1</sup>

The birth of the company now known as EQT Corporation began with three men: Obediah Haymaker, Michael Haymaker, and George Westinghouse. In the early 19th century, brothers Obediah and Michael were hoping to make their fortunes from oil found across southwestern Pennsylvania. Spotting natural gas seeping from the ground near the Turtle Creek in Murrysville, Pennsylvania, the brothers began drilling, assuming that they would also find oil. It took them a year to drill the first 400 feet, but when they finally reached 1,400 feet in November 1878, the well came in releasing natural gas at an estimated initial production of 30 to 40 million cubic feet per day (MMcf/d).



That well, known as Haymaker #1, quickly became national news, creating an economic boom for Murrysville as new commercial operations formed to drill more wells, lay pipelines, and transport natural gas to homes and factories. One of those operations was the Equitable Gas Company, formed in 1888 by George Trautman and R. B. Brown to transport and supply natural gas to manufacturing plants and mills along the Allegheny River in Pittsburgh.<sup>2</sup>

Industrialist George Westinghouse, whose residence in Pittsburgh was the first to light and heat with natural gas when he drilled a well in his backyard in 1884, was also exploring the commercial opportunities of this cheap, clean-burning energy. Under the umbrella of his Philadelphia Company subsidiary, he began to buy acreage in Murrysville near the Haymaker field, along with several small gas companies operating in the area. In 1900, Westinghouse

purchased Equitable Gas Company and consolidated his extensive network of production and distribution facilities under that name. By 1910, Equitable controlled 440,000 acres under lease in Pennsylvania and West Virginia, and operated 902 wells; in the 1930s, it became a leader in underground gas storage.

Equitable Gas Company separated from the Philadelphia Company in 1950 retaining the parent firm's natural gas production, transmission, and distribution facilities. Later that year, it became a publicly traded company through the sale of two million shares of common stock. Equitable Gas Company survived the energy shocks and shortages of the 1970s and early 1980s by searching for new gas reserves to develop and produce. Equitable Gas Company also began to evolve its corporate structure, separating into two segments — its distribution system and its non-utility gas and oil exploration and production business. In 2009, following a corporate restructuring, the company changed its name to EQT Corporation. In 2013, EQT sold its distribution system — Equitable Gas Company — allowing the Company to focus on maintaining its position as one of the leading natural gas production, transmission, and gathering companies in the Appalachian Basin.

With nearly 130 years of history in all aspects of the natural gas industry, EQT continues to demonstrate a high level of integrity, experience, innovation, and sustainability that very few of its peers can match.

<sup>1</sup> Source for pre-1989 information: 1888 – 1988 Equitable Resources: 100 Years of Service

<sup>2</sup> Source: The Atlantic Reporter, Volume 26, cases argued and determined in the courts of Connecticut, Delaware, Maryland, New Hampshire, New Jersey, Pennsylvania, Rhode Island, Vermont

## Current Business Structure and Performance

EQT Corporation (NYSE: EQT) is a Standard & Poor's 500 investor-owned corporation that focuses on Appalachian area natural gas production, gathering, and transmission. Headquartered in Pittsburgh, Pennsylvania since its birth as Equitable Gas Company in 1888, the Company operates primarily within the United States of America. At the end of 2015, the EQT workforce totaled 1,914 employees working in Pennsylvania (PA), West Virginia (WV), Ohio (OH), Kentucky (KY), Virginia (VA), and Texas (TX). In addition to the corporate headquarters, the Company operates through two business segments: Production and Midstream.



EQT's early affiliation with the Philadelphia Company provided a treasure trove of experience in the natural gas industry, including numerous innovations by its owner, George Westinghouse. Such innovations included better and safer ways to dig gas wells, prevent and detect leaks, and regulate the pressure of gas at the source as well as at the point of use.<sup>3</sup> Nearly 130 years later, EQT continues that same commitment to innovation, which allows it to maintain its position as a leader in the use of advanced horizontal drilling technology — designed to minimize the potential impact of drilling-related activities and reduce the overall environmental footprint. Through safe and responsible operations, the Company is committed to sustainability as it helps meet the country's growing demand for clean-burning energy, protects the environment, provides a rewarding workplace, and enriches the communities where its stakeholders live and work.

<sup>3</sup> Source: Westinghouse Legacy  
([www.westinghousememorial.org/history.htm](http://www.westinghousememorial.org/history.htm))

EQT sells produced natural gas as a commodity to marketers, utilities, and industrial customers located mainly in the Appalachian Basin and the Northeastern United States, as well as the Permian Basin of Texas. EQM provides Midstream services to EQT and other third-party companies across 21 counties in Pennsylvania and West Virginia through its two primary assets: the transmission and storage system, which serves as a header system transportation pipeline, and the gathering system, which delivers natural gas from wells and other points to transmission pipelines.

### PRODUCTION

The Production segment is one of the largest natural gas producers in the Appalachian Basin with 10.0 trillion cubic feet equivalent (Tcfe) of proved natural gas, natural gas liquids, and crude oil reserves located across approximately 3.4 million gross acres, with approximately 630,000 of those acres concentrated in the Marcellus Shale region. Although the Company's total proved reserves decreased 7% in 2015, its Marcellus assets remained strong and contributed approximately 7.8 Tcfe proved reserves.

EQT believes it is a technology leader in extended-lateral horizontal drilling, and continues to improve its operations by using new, innovative technology to maintain an industry leading cost structure. In addition, by utilizing multi-well pads, drilling longer laterals, and instituting a completion technique known as cluster spacing, EQT continues to focus on reducing the overall surface footprint of its drilling operations.

### Production Wells

As of December 31, 2015

	Natural Gas	Oil	Total
<b>Total productive wells</b>			
Total Gross Productive Wells	13,430	105	13,535
Total Net Productive Wells	12,703	101	12,804
<b>Total in-process wells</b>			
Total gross in-process wells	192	-	192
Total net in-process wells	191	-	191



Pushed by Westinghouse, the Philadelphia Company used field crews driving teams of horses and oxen to haul sections of cast-iron pipe, tools, and equipment over hundreds of miles of mountain terrain to build the lines needed to carry gas to the Pittsburgh market.<sup>4</sup> Steam-powered engines, housed in compressor stations, pumped the gas through the pipelines at high pressures, assuring a fast and reliable flow of fuel through the long-distance transmission lines. Later experiments proved the viability of pumping natural gas back into depleted gas fields for storage, and later withdrawing it when needed to meet peak needs. Equitable Gas Company (then a subsidiary of the Philadelphia Company) became a leader in underground storage, developing its first storage reservoir in Finleyville, Pennsylvania in 1934; many more have followed EQT into the 21st century.<sup>5</sup>

The Haymaker #1 well made news with a depth of 1,400 feet and initial production of about 32 MMcf/day. Today, EQT now has wells in Pennsylvania's Marcellus formation with depths of 5,000 to 8,000 feet. West Virginia wells in the Marcellus and Huron formations have depths ranging from 2,500 to 6,500 feet, and wells in Kentucky's Huron formation range from 2,500 to 6,000 feet. In the deep Utica formation, EQT drilled two wells with depths of up to 13,500 feet. One of the Utica wells in Greene County, Pennsylvania known as Scotts Run, came online in July 2015 and made national news as the highest producing shale well ever, with initial production rates of 72.9 MMcf/day.

## MIDSTREAM

The Midstream segment is capitalizing on the rapidly increasing need for pipeline infrastructure in the Appalachian Basin through its affiliated company, EQT Midstream Partners. EQM provides midstream services to EQT and other third parties through its transmission, storage, and gathering systems that are located throughout the Marcellus and Utica Shales in southwestern Pennsylvania and northern West Virginia.

In the late 1800s and early 1900s, George Westinghouse recognized the commercial potential of natural gas, and Pittsburgh's prime location as a base for significant industrial growth from the steel industry and other manufacturing opportunities, not the least of which were his own industrial plants. The challenge then, as it is today, was getting the gas to customers who needed it — there simply was not enough pipeline capacity to deliver the gas when needed, nor was there a way to move the gas from the more remote sources.

## Midstream Assets

As of December 31, 2015

### Gathering System

Gathering Lines	8,250 miles
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#### Includes:

- 1,500 miles of low pressure lines (FERC-regulated rates)
- 185 miles of high pressure lines

Marcellus Gathering Capacity	2,000 MMcf/day
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#### Includes:

- Approximately 1,405 MMcf/day in PA
- Approximately 595 MMcf/day in WV

### Transmission and Storage System

FERC-regulated interstate pipeline	900 miles
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#### Includes:

- |                              |           |
|------------------------------|-----------|
| • Equitrans                  | 700 miles |
| • Allegheny Valley Connector | 200 miles |

Natural gas storage reservoirs (14 owned by EQM, 4 owned by EQT)	18
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Peak delivery capacity	47 Bcf of working gas capacity
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Total transmission capacity	3,550 MMcf/day
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<sup>4</sup> The Natural Gas Industry in Appalachia: A History from the First Discovery by David A. Waples

<sup>5</sup> Pittsburgh Press, January 18, 1959, Section 5, page 8, "The Value of Gas Slow to be Appreciated"





Today, the Midstream business segment, through EQM, continues to drive industrial growth by helping to displace less clean fossil fuels, such as coal, with cleaner burning natural gas. In 2015, progress continued on several Company transmission projects to expand capacity and support continued growth in the Marcellus Shale and the developing Utica Shale. One of those, the *Ohio Valley Connector*, is currently under construction and includes a 37-mile pipeline that will extend EQM's transmission and storage system from northern West Virginia to Clarington, Ohio, where it then will interconnect with the Rockies Express Pipeline and the Texas Eastern Pipeline.

The proposed *Mountain Valley Pipeline (MVP)* project will be a FERC-regulated natural gas interstate pipeline system spanning approximately 300 miles from northwestern West Virginia to southern Virginia, and is expected to provide at least two Bcf per day of firm transmission capacity to markets in the Mid- and South Atlantic regions of the United States. The MVP will extend the existing Equitrans transmission system (owned by EQM) in Wetzell County, West Virginia, to Transcontinental Gas Pipeline Company's (Transco) Zone 5 compressor station 165 in Pittsylvania County, Virginia. Mountain Valley Pipeline, LLC, a joint venture formed by EQM and affiliates of NextEra Energy, Inc., Consolidated Edison, Inc., WGL Holdings, Inc., Vega Energy Partners, Ltd., and RGC Resources, Inc., will construct and own MVP. EQM will operate the pipeline and own a significant interest in the joint venture.



The *TP-371 Pipeline Replacement Project* will upgrade 21 miles of an existing 36-mile portion of the Allegheny Valley Connector System in Armstrong and Indiana Counties, Pennsylvania, improving the integrity, reliability, and safety of the system. The project includes replacement of original 12-inch diameter pipeline with 20-inch pipeline, and installation of a pig launcher/receiver to assist with ongoing maintenance. The replacement will be located as close as possible to the existing pipeline in order to maintain service during construction, and minimize impacts.

## Embracing Sustainability

In 1881, George Westinghouse was the first to break the traditional six-day workweek rule when he inaugurated the Saturday half-holiday in his Pittsburgh factory — and later insisted on providing lighting, ventilation, and other features to enhance working conditions for his employees. This vision of ethics, work, and fair play was central to the mission of all of his other companies,<sup>6</sup> including Equitable Gas Company.

Today, corporate sustainability goes far beyond workplace issues to include environmental, economic, and social performance of companies that are committed to ethical behavior, accountability, and transparency. These principles, along with a commitment to safety, and to working collaboratively to insure diversity and inclusion, are what continually drive EQT's success in the energy industry. EQT knows how its business operations affect communities, how changes in stakeholder awareness create new and more challenging expectations, and how important it is to show stakeholders what the Company is doing to address those expectations.

<sup>6</sup> Source: *George Westinghouse: Gentle Genius* by Quentin R. Skrabec

## TRANSPARENCY

Intentionally sharing information about how a company operates is an important step towards building and maintaining the trust of its stakeholders. Stakeholders must trust that EQT is doing the right thing, and that the communications they receive from EQT are open and honest.

That is why the Company embraced the GRI report methodology five years ago when it began producing a formal sustainability report. These standards address all aspects of corporate sustainability in a format that allows stakeholders to identify information at a level of detail that is comprehensive without being overly complex.

## CONTINUOUS IMPROVEMENT: THE ROAD TO RESPONSIBLE GROWTH

Traditionally, guidelines for reporting sustainability activity rely on numerical goals or targets to measure the effectiveness of an organization's activities. On the surface, this approach can suggest a simple way to determine whether a company is making progress, yet it also assumes that all of the factors that go into creating those goals and results remain constant from year to year as the company grows. In a constantly changing environment such as the natural gas industry, a more flexible approach is often more appropriate.

To remain successful, EQT believes it is important to pursue continuous improvement in its corporate management process rather than set annual targets. This allows the Company to embrace new technologies and processes throughout the business that will ultimately lead to safer, more efficient operations. The drive for continuous improvement also helps EQT accommodate its anticipated level of growth while maintaining its commitment to meet the expanding environmental, social, and economic expectations of its stakeholders.



# Corporate Governance

## GOVERNANCE STRUCTURE

The Board of Directors is the highest governance body in the EQT corporate structure, and EQT, EQGP, and EQM each have their own Board that is responsible for overseeing the management of the business and affairs of its respective company. That includes managing the economic, environmental, and social risks and opportunities facing each company. The assessment and management of sustainability risks and opportunities is part of the day-to-day operation of each company, eliminating the need for separate governance mechanisms devoted to sustainability.

The Public Policy and Corporate Responsibility Committee of the EQT Board provides oversight for many of the aspects of sustainability risks and opportunities for the Company, and the actions taken to address these issues. The EQGP and EQM Boards provide similar oversight, as appropriate. The Chief Executive Officer (CEO) of each company is also the Chair of its respective Board. Each company's Corporate Governance Guidelines found in the Investors section of each company's website describe the philosophy for choosing this leadership structure.

At EQT, EQGP, and EQM, the respective boards delegate authority for select economic, environmental, and social topics to their CEO, who reports directly to the board.

The CEO in turn delegates some of those authorities to members of senior management, based upon their established roles and responsibilities within the company. These senior managers, who report directly to the CEO, often present updates to each board regarding the economic, environmental, and social impacts, risks, and opportunities facing the Company, as well as reviewing the Company's performance in managing the impacts of these activities.





### BOARD STRUCTURE AND COMPOSITION – EQT

The EQT Board of Directors has five standing committees: Audit; Management Development and Compensation; Corporate Governance; Public Policy and Corporate Responsibility; and Executive. The responsibilities of each committee are set forth in written charters available on the EQT website under Investors. Information is also available in the 2016 EQT Proxy Statement (pp 20-21). At December 31, 2015, the EQT Board consisted of twelve directors, eleven of whom were independent as defined by the independence standards of the New York Stock Exchange (NYSE) and the United States Securities and Exchange Commission (SEC). In 2015, the EQT Board held six regular meetings, and the independent directors met six times in executive session without any EQT officers present.

### EQT Board of Directors – 2015

	Executive	Independent	Total
<b>Male</b>	1 (8%)	8 (67%)	<b>9 (75%)</b>
<b>Female</b>	-	3 (25%)	<b>3 (25%)</b>
<b>Minority</b>	-	2 (17%)	<b>2 (17%)</b>
<b>Non-Minority</b>	1 (8%)	9 (75%)	<b>10 (83%)</b>
<b>Age &lt; 30</b>	-	-	-
<b>Age 30 – 50</b>	-	-	-
<b>Age &gt; 50</b>	1 (8%)	11 (92%)	<b>12 (100%)</b>

A summary description of the EQT Board committee composition, and detailed descriptions of each director's qualifications, is available in the 2016 EQT Proxy Statement (pp 2, 14-21). The 2016 EQT Proxy Statement also contains a description of the current nomination and selection process for EQT directors (pp 25-27). Beginning in 2016, each board member will stand for election on an annual basis.

### BOARD STRUCTURE AND COMPOSITION – EQGP

The EQGP Board has one standing committee — the Audit Committee — as required by the NYSE. At December 31, 2015, the EQGP Board consisted of six directors, two of whom were independent as defined by the independence standards of the NYSE and the SEC. The NYSE does not require a publicly traded limited partnership like EQGP to have a majority of independent directors on the board, nor does it require the limited partnership to establish a compensation committee, or a nominating and corporate governance committee.

In 2015, the EQGP Board held five regular meetings, as did its Audit Committee. At least annually, all of the independent directors of EQGP meet in executive session without participation by management or non-independent directors. Additional information about the EQGP Audit committee is available in the 2015 EQGP Form 10-K (page 104), and on the EQGP Investor website.

### EQGP Board of Directors – 2015

	Executive	Independent	Total
<b>Male</b>	4 (66%)	1 (17%)	<b>5 (83%)</b>
<b>Female</b>	-	1 (17%)	<b>1 (17%)</b>
<b>Minority</b>	-	-	-
<b>Non-Minority</b>	4 (66%)	2 (34%)	<b>6 (100%)</b>
<b>Age &lt; 30</b>	-	-	-
<b>Age 30 – 50</b>	1 (17%)	-	<b>1 (17%)</b>
<b>Age &gt; 50</b>	3 (50.0%)	2 (33%)	<b>5 (83%)</b>

A description of the EQGP Board composition, and detailed descriptions of each director's qualifications, is available in the 2015 EQGP Form 10-K (pp 102-105). A subsidiary of EQT Corporation appoints the EQGP board members, and the EQGP unitholders are not entitled to elect the directors. Review the EQGP Corporate Governance Guidelines on the EQGP Investor website for more information about the selection process.





## BOARD STRUCTURE AND COMPOSITION – EQM

The EQM Board has two standing committees: Audit and Conflicts. At December 31, 2015, the EQM Board consisted of seven directors, three of whom were independent as defined by the independence standards of the NYSE and the SEC. The NYSE does not require a publicly traded limited partnership like EQM to have a majority of independent directors on the board, nor does it require the limited partnership to establish a compensation committee, or a nominating and corporate governance committee.

In 2015, the EQM Board held seven regular meetings and one special meeting. The Audit Committee held seven meetings, and the Conflicts Committee met five times during the year. At least annually, all of the independent directors of EQM meet in executive session without participation by management or non-independent directors. Additional information about the EQM Audit and Conflicts Committees is available in the 2015 EQM Form 10-K (pp 95-96) and on the EQM Investor website.



## EQM Board of Directors – 2015

	Executive	Independent	Total
<b>Male</b>	4 (57%)	2 (29%)	<b>6 (86%)</b>
<b>Female</b>	-	1 (14%)	<b>1 (14%)</b>
<b>Minority</b>	-	1 (14%)	<b>1 (14%)</b>
<b>Non-Minority</b>	4 (57%)	2 (29%)	<b>6 (86%)</b>
<b>Age &lt; 30</b>	-	-	-
<b>Age 30 – 50</b>	-	1 (14%)	<b>1 (14%)</b>
<b>Age &gt; 50</b>	4 (57%)	2 (29%)	<b>6 (86%)</b>

A description of the EQM Board composition, and detailed descriptions of each director's qualifications, is available in the 2015 EQM Form 10-K (pp 93-96). A subsidiary of EQGP appoints the EQM board members, and the EQM unitholders are not entitled to elect the directors. Review the EQM Corporate Governance Guidelines on the EQM Investor website for more information about the selection process.

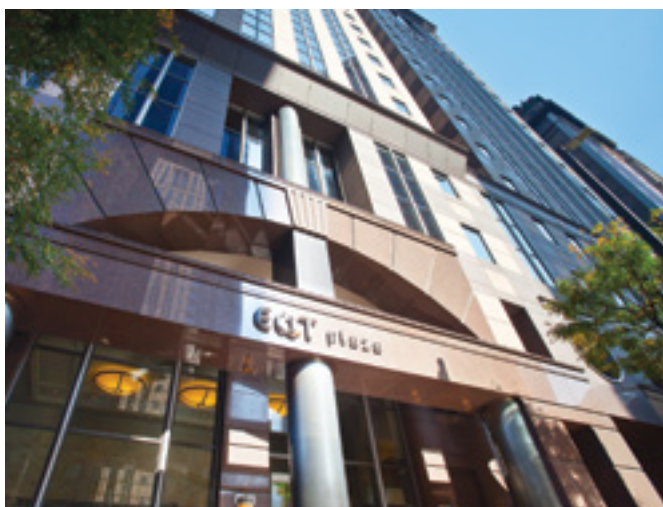




### **BUILDING AND MAINTAINING A COMPETENT BOARD**

Many things have changed since the first Board of Directors for Equitable Gas Company met in the early 1950s, so it is essential that individuals elected to serve on the Board understand their governance responsibilities, as well as how their decisions affect the economic, environmental, and social performance of the company. EQT, EQGP, and EQM are each committed to providing every director with an initial orientation to board service. Each company provides management presentations and other information at each board meeting to help educate the directors about its business, pertinent issues in the natural gas industry, and relevant economic, environmental, and social topics affecting stakeholders. Directors of EQT, EQGP, and EQM are also encouraged to participate in educational programs, for which the applicable company provides funding or reimbursement.

Performance assessment is another tool used by the EQT, EQGP, and EQM Boards and committees to evaluate how well they are fulfilling their governance responsibilities. At EQT, the Board and its committees conduct annual self-assessments, and each director assesses individual director performance in meetings with the EQT Lead Independent Director. At EQGP and EQM, the Boards and Audit Committees also conduct annual self-assessments. Although the Boards do not disclose publicly the actions taken in response to their annual self-assessments, they do take the assessment process seriously, and each Board responds appropriately to the results to improve overall governance performance.



### **ASSESSING AND MANAGING RISK**

The EQT, EQGP, and EQM Boards are responsible for reviewing the process for assessing major risks facing their respective companies, and regularly consult with their respective management teams to identify pertinent risks, the ways that such risks might affect the operation of the business and its stakeholders, and the appropriate steps required to mitigate adverse impacts. The EQT 2015 Form 10-K (pp 18-24) provides a more detailed discussion of the most significant risks facing the organization and the potential impacts on the Company and its stakeholders. Similar information is available for EQGP and EQM in the 2015 EQGP Form 10-K (pp 23-52) and the 2015 EQM Form 10-K (pp 22-47), respectively.

### **COMMUNICATING WITH THE BOARD**

In order to achieve sustainable performance for shareholders, employees, customers, and the communities, the Boards of EQT, EQGP, and EQM are committed to overseeing their companies with integrity, accountability, and transparency. They welcome input on how they are doing, and each organization provides stakeholders multiple ways to communicate with their governing body.

At EQT, the key point of contact for concerns or inquiries is the Lead Independent Director (and through that director, all other directors independently or as a group). For EQGP and EQM, the key point of contact is the Presiding Director of each board. EQT provides detailed contact information in the 2016 EQT Proxy Statement (p 27), and EQGP (p 104) and EQM (p 95) provide the information in their respective 2015 Form 10-K under the section titled "Meeting of Non-Management Directors and Communications with Directors." Other avenues for contacting the Boards of EQT, EQGP, and EQM include: each company's Corporate Secretary, Chief Investor Relations Officer, management team, and respective websites; the EQT Compliance Hotline; and traditional email or written correspondence. These communications may be made anonymously or confidentially.

## Commitment to Ethical Conduct

The EQT, EQGP, and EQM Boards drive the commitment to operate with integrity, accountability, and transparency — values essential to the Company's ability to achieve sustainable performance. The EQT and EQM/EQGP Codes of Business Conduct and Ethics, along with numerous internal policies and procedures, formalize that commitment for the Boards, employees, and suppliers of EQT, EQGP, and EQM, and set the ethical guidelines and expectations that stakeholders expect from each organization.

### CODES OF BUSINESS CONDUCT AND ETHICS

Today's business environment is complex and changes in economic climate and business conditions are inevitable, however, one thing that will never change is EQT's belief that enhancing and maintaining its good reputation depends upon each employee being individually responsible for his or her conduct. The EQT and EQM/EQGP Codes of Business Conduct and Ethics serve as guides and information resources about personal responsibilities, including compliance with law and the application of good judgment in all aspects of the work done by the organization. Developed in conjunction with subject matter experts, the Codes of Business Conduct and Ethics are regularly updated to ensure they reflect the ever-changing work environment and legal and regulatory landscape. Senior management at EQT, EQGP, and EQM approve these Codes, and respective Boards review the Codes prior to implementation.

### TRAINING AND ADVICE — THE COMPLIANCE HOTLINE

EQT demonstrates its commitment to operate with integrity, accountability, and transparency by requiring that all new employees receive in-person compliance and ethics training during orientation. At the start of their tenure, new employees are also required to complete online training regarding the EQT and EQM/EQGP Codes of Business Conduct and Ethics, and other compliance and ethics topics pertinent to their work responsibilities. Starting in 2015, all employees began receiving annual compliance and ethics training in person and/or online. All employees annually certify their understanding and compliance with the Codes and related policies.

The Codes of Business Conduct and Ethics provide a strong guide and resource for employees and vendors of the company, but they cannot be all inclusive. That is why EQT established the Compliance Network, a collection of senior management employees from Enterprise Risk and

Compliance, Internal Audit, Employee Relations, Governance and Enterprise Risk, and Government and Environmental Affairs. The Compliance Network is a resource available to employees to seek advice about ethical and lawful behavior and serves as an additional channel for reporting misconduct. A nationally recognized independent service provider hosts the EQT Compliance Hotline 24 hours a day, seven days a week. Employees and other stakeholders can also express concerns directly to the Board of Directors of EQT, EQGP, and EQM via each organization's website.

## Conflicts of Interest

In addition to the Codes of Business Conduct and Ethics, EQT also has a corporate policy providing guidance on appropriate ways to handle situations that involve, or may appear to involve, conflicts of interest. The policy covers all employees and directors of EQT, EQGP, and EQM, and all actual or apparent conflicts of interest related to the Company and its affiliates. The Company also has policies outlining employee and director responsibilities to comply with the antitrust laws of the United States and the several states and other countries in which it operates, as well as compliance with the Foreign Corrupt Practices Act.

EQT and its affiliates monitor the effectiveness of anti-corruption and antitrust efforts by reviewing the number of allegations and substantiated cases received through the EQT Compliance Hotline, the Compliance Network, and other internal or external communications channels. During 2015, EQT and its affiliates experienced no legal actions — pending or completed — regarding anti-competitive behavior, or violations of antitrust and monopoly legislation.





## *Built on a Foundation of Safety*

**In 1894,**  
EQT's predecessor, Equitable Gas  
Company, completed its  
**first compressor  
station**  
in Murrysville, Pennsylvania.

**As of December  
31, 2015** EQT Midstream  
Partners owned or operated  
**38 compressor  
units** serving 21 counties in  
Pennsylvania and West Virginia.

# SAFETY

Safety is a core value at EQT, and the Company will not compromise on this to gain a business advantage. EQT is committed to providing a safe and healthful workplace for its employees and contractors, maintaining and operating its equipment responsibly, and creating a safe environment for communities located near EQT operations. The Company formalized its dedication to creating and maintaining a zero-injury culture when it significantly expanded its safety awareness and training efforts, and issued a formal **Environment, Health, and Safety Policy** in August 2013. EQT updated the policy in May 2016.

## Providing a Safe Place to Work

EQT conducts its active business operations in accordance with the applicable health and safety requirements established by the U.S. Occupational Safety and Health Administration (OSHA) and other regulatory bodies, however, in the early days of the Company's beginnings with Mr. Westinghouse, there was no OSHA. Few laws or regulations governing safe and healthy working conditions existed in the late 1800s, so it was up to individual companies to establish their own priorities.<sup>7</sup> The Philadelphia Company had the advantage of leadership by George Westinghouse, who recognized that safeguarding the health and welfare of his workers contributed to the success and longevity of the company. EQT has carried that belief into the 21st century by focusing on keeping all workers safe.

<sup>7</sup> EH.Net – Economic History Services: History of Workplace Safety in the United States, 1880-1970



While the U.S. has numerous laws, regulations, and policies relating to workplace safety, EQT's continuous improvement efforts ensure that proper safety and health practices are integrated into all of the Company's operations. EQT's Deputy General Counsel, Environmental, Safety, and Public Policy implements and manages the Company's health and safety programs. EQT employees also play an important role in making sure that each worker returns home safely at the end of the day. Every worker, regardless of title or work responsibilities, has the full authority and responsibility to stop any unsafe work activity.

Training and performance monitoring are at the heart of EQT's workplace safety initiatives. The Company does not have unionized employees, so there are no formal labor agreements that define specific health and safety training topics. Instead, every EQT employee receives core safety training annually, along with specialized training tailored to the work performed and the types of issues faced. The specialized training occurs more frequently, with subjects and delivery methods customized as necessary. For example, monthly safety meetings held with field employees cover training issues such as:

- personal protective equipment
- stop work authority
- incident investigation
- safe driving
- industry specific technical safety training



## ENVIRONMENT, HEALTH, AND SAFETY POLICY

### ***EQT Corporation is committed to achieving superior Environment, Health & Safety performance***

Safety is a core value for our organization. EQT will provide a safe and healthful workplace for its employees and contractors and through continuous improvement, we will work to create and maintain a zero-injury culture. We will not compromise safety to gain a business advantage.

EQT also has a steadfast commitment to the protection of our environment. EQT will conduct its business operations in a sustainable and environmentally responsible manner at all times – striving to preserve and protect the land, air and water where we live and do business.

The following principles will guide us toward superior Environment, Health, and Safety (EHS) performance. EQT and its employees will:

- Provide and foster leadership to ensure all employees and contractors understand their responsibilities and that all employees are provided with the training and support necessary to integrate EHS principles into their work.
- Manage our business to prevent incidents that could result in harm to people, communities, property, or the environment.
- Seek public input regarding our operations in order to facilitate continuous improvement in our EHS performance.
- Integrate EHS considerations into planning, design, construction and operation of all our processes, programs, and facilities.
- Optimize conservation of natural resources.
- Commit the resources necessary for successful implementation of this EHS Policy.
- Provide an effective EHS management system that drives innovation and continuous improvement, as well as employee and contractor adherence to EQT processes and requirements.
- Foster business relationships with companies committed to superior EHS performance.
- Operate in accordance with all applicable laws and regulations; and contribute to the development of responsible EHS legislation, regulation, and industry best practices.

  
**David L. Porges**  
**Chairman and Chief Executive Officer**

May 11, 2016

Every EQT employee is free to communicate with management about issues or initiatives that could help improve overall performance, removing the need to establish formal joint management-employee committees. However, variations on such committees do exist throughout the organization. One example within the Midstream business segment is the Field Safety Technician program, which enables employees to receive specialized safety training, obtain specialized OSHA training and certification, and work with management to develop the leadership capabilities needed to identify and prevent situations that could cause harm to themselves and others. Furthermore, after the all-employee safety survey conducted in 2014 by the U.S. National Safety Council, cross-functional

employee-management teams throughout EQT formed in 2015 to work together and address improvement opportunities.

EQT closely monitors its health and safety performance, risks, and statistics to ensure safe worksites, proper employee training and motivation to work safely, and the continuous identification and evaluation of opportunities to improve. All EQT employees have an individual Workplace Safety performance objective, of which the specifics vary based on each functional area of the Company, such as the “Zero Incidents” performance goal in the Midstream and Production business segments.

## EQT Safety Performance Trends

Safety Indicators	Performance Rate *				
	2011	2012	2013	2014	2015
Lost Time Accident (LTA)	0.47	0.34	0.38	0.13	0.36
Days Away, Restricted or Transferred (DART)	0.70	0.78	1.02	0.44	0.57
Preventable Vehicle Accident (PVA)	0.86	1.22	1.39	1.45	0.94
Stationary Object Strike Rate	N/A	N/A	N/A	1.02	0.42
OSHA Recordable Rate	1.98	2.52	2.52	1.66	1.50

\*Data excludes minor (first-aid level) injuries

Absentee Rates	Performance Rate *				
	2011	2012	2013	2014	2015
By Region (%)					
Kentucky	4.7	3.2	3.2	2.6	3.1
Pennsylvania	4.1	1.9	1.5	1.4	3.0
Texas	N/A	N/A	N/A	1.6	4.6
Virginia	2.6	3.7	2.9	1.2	1.8
West Virginia	3.8	1.6	1.8	1.7	2.7
By Gender (%)					
Males	4.0	2.0	1.7	1.3	3.13
Females	3.6	3.0	2.5	2.9	2.43

\*EQT does not use independent contractors or supervised workers as defined by GRI, and thus does not record or track safety and absentee rates for these types of workers

Fatalities	Performance Rate *				
	2011	2012	2013	2014	2015
EQT Total Workforce	-	1	-	-	-
Vendor Workforce	1	-	2	-	1

\*The 2015 vendor incident involved an excavator striking a natural gas pipeline



When a safety incident does occur, EQT records the nature of the event (including minor injuries) as prescribed by the OSHA injury/illness recordkeeping guidelines, which do not require tracking by gender or geographic region. After each incident, the Company also conducts a thorough incident review with senior management to clarify possible causes, identify options to prevent recurrences, and highlight opportunities to improve training, processes, and procedures. EQT personnel also conduct quarterly meetings with the Executive Environment Council, and with the Executive Safety Council, to review safety and environmental issues, monitor trends, and provide direction to enhance the Company's overall performance.

During 2015, the most frequent incident types involved EQT employees working outdoors and included items such as insect bites, poisonous plant exposure, or slip/trip/fall incidents. With expanded training, risk assessment, and other preventive measures, EQT has seen a steady decline in OSHA-recordable incidents. As part of the Company's continuous improvement efforts, ongoing refinement of the training and incident management programs will help guide EQT toward achieving sustainable improvements in other safety statistics.

## Making Contractors Accountable for Safety

EQT's focus on safety includes contractors performing work for EQT. Every day, numerous contractors perform various activities required by the Company's field operations. To ensure that EQT's job sites remain safe, every contractor providing workers must demonstrate a commitment to safety

similar to that of EQT. This means each contractor (and its subcontractors and agents) must adhere to all applicable laws and regulatory requirements for health, safety, employment, and other human rights as established for employers operating within the United States. In addition, before obtaining authorization to begin work for EQT, a contractor must be prequalified through ISNETWorld® — an industry-recognized platform for monitoring safety performance. The ISNETWorld® database provides vital information regarding a contractor's performance in the following key areas:

- Safety Management Systems
- Injury and Illness Statistics
- Department of Transportation (DOT) Inspection Compliance
- DOT Motor Carrier Safety Rating
- Written Safety Programs and Safety Training
- Experience Modification Rating (EMR)
- Fatality History

A contractor expecting to perform services in drilling, construction, maintenance, or other operations must pass the prequalification process, and must agree to adhere to EQT's Contractor Safety Standard and Safe Work Rules. These safety requirements apply to all work performed by the contractor's employees and the employees of their subcontractors or agents. Existing contractors who fail to meet the rules and standards cannot continue to work on an EQT job site.

EQT does not internally record and track safety statistics (other than fatalities) for its contractors, but it does continually review the self-reported information provided by contractors in the ISNETWorld® database.

## Protecting Local Communities

In the days of that first Haymaker well, there was little public knowledge about natural gas or how to help communities stay safe as the new industry was developing. Simple things such as not discarding a match, being careful about where an oil lantern was placed, or having the proper equipment installed to prevent pipeline leaks, did not raise concern until something happened.

Today, creating a safe environment for neighborhoods near the Company's operations is just as important, and multi-faceted, as maintaining workplace safety. Much of this effort centers on creating awareness. EQT works closely with local emergency response personnel, public works employees, elected officials, school districts, and others to share important information about the Company's operations in their community. These interactions address how to work with EQT to create and ultimately improve joint response to safety-related incidents. Specific topics may include awareness of what activity is taking place at a local job site, the type of equipment used, the most appropriate response for various scenarios, and what EQT will do should an incident occur. The result is that local officials and first responders are more familiar with EQT's operations in their community, who to contact at EQT should an incident occur, and what they should, and should not, do to help the Company resolve an incident quickly and safely.

Another aspect of EQT's commitment to community safety is to address local concerns regarding increased vehicle traffic on roads within the municipality. Initial route considerations are based on safety, therefore often the resulting route necessitates longer drives on the same local roads that residents use. EQT carefully considers the locations of schools, recreation areas, and other points of interest when designing the preliminary construction routes to its job sites, but often the options to reach a particular location are limited.

Since 2013, EQT has worked with local governments and school districts to protect students by curtailing its traffic on roads traveled by school buses. The Company places custom signs along active truck routes, alerting its drivers, and those of its contractors, that truck travel is prohibited during the posted hours when buses are picking up or dropping off students. The signs also alert local residents that they also need to slow down and watch for children along these routes.

EQT also develops a Traffic Control Plan for each of its Marcellus and Utica job sites that details all EQT-imposed speed limits, curfews, and route restrictions — the plan is distributed to its employees as well as to contractors (who are expected to distribute the plan to their subcontractors). EQT actively monitors compliance with the Traffic Control Plan, and promptly takes action to address reported violations by its employees or by those of its contractors. Once construction- and operations-related traffic begins in a community, EQT also uses private road monitors with law enforcement backgrounds to provide 24/7 monitoring of truck traffic, and to help investigate community complaints







about employees or contractors who are observed violating local, or EQT-imposed, traffic rules. The agents have radar-equipped vehicles, and can take corrective action when they observe EQT-related traffic creating unsafe driving conditions on the roads. To help with enforcing contractor accountability, EQT may require certain contractors to implement GPS-based systems on their vehicles and give the Company access to the data.

Vehicle Safety has assumed a much higher profile within EQT's effort to assure safety for its employees, contractors, and local communities. To help reduce the number of vehicle-related incidents, EQT has implemented a comprehensive suite of driver training programs and procedures for its employees to create awareness of potential hazards and show employees how to avoid them.

Upon assignment to a Company vehicle, each employee receives an orientation on how to operate the vehicle safely, common road hazards and how to handle them, and preferred ways to avoid the most common types of accidents. The employee also undergoes a supervisor observation session to make sure he or she can operate the vehicle safely. Next, the employee undergoes a series of computer-based training programs, followed by behind-the-wheel training, which includes a defensive driving module. Drivers that must operate specialty vehicles, haul trailers, perform extensive off-road travel, or drive construction vehicles on public roads receive additional instruction, such as Department of Transportation compliance training.



In the first quarter of 2015, EQT began requiring supervisor observation for all of its current drivers, including the experienced drivers, in addition to implementing this requirement for new drivers. The effectiveness of the new emphasis on safe vehicle operation has been significant. In 2014, the rate of vehicles striking stationary objects was 1.02. After the new training and awareness initiatives rolled out across the Company, the 2015 rate dropped to 0.42. EQT has formed a Safe Driving Leadership Team, consisting of representatives from Human Resources and the business segment leadership teams, to keep the Company focused on developing policies that keep EQT employees safe and provide a safe driving environment for local community drivers who share the road with them.

Yet another important aspect of ensuring community safety is the design and maintenance of the pipelines that transport natural gas from the well to the marketplace. One of the first major pipelines was constructed in 1891. It was 120 miles long and carried natural gas from wells in central Indiana to the city of Chicago. The ability to connect with other systems was not a priority in those days, and there were few construction standards in place to ensure reliability. The Indiana to Chicago pipeline was plagued with leaks, and the resulting inefficiencies ultimately caused its owners to shut it down. It was not until the 1920s that significant effort went into building a system-wide pipeline infrastructure using standardized construction techniques to make the transmission of natural gas safer and more efficient. After World War II, new welding techniques, along with advances in pipe rolling and metallurgy, further improved pipeline reliability. This post-war pipeline construction boom lasted well into the 1960s, and allowed for the construction of thousands of miles of pipeline in America.<sup>8</sup>

<sup>8</sup> Natgas.org: History of Natural Gas

Today, natural gas pipelines are the safest, most efficient way to transport energy in the United States. EQT and EQM use many preventive measures when designing, constructing, and operating natural gas pipelines and facilities to ensure the safety of residents, employees, and communities along our pipeline routes:

#### **Design**

- Comply with local, state, and federal regulations
- Design facilities consistent with industry standards and practices
- Optimize routes to avoid sensitive areas

#### **Construction**

- Inspect construction activities to verify acceptable installation
- Test pipelines prior to placing them in-service to certify integrity
- Examine welds to ensure safety

#### **Operations**

- Monitor, control, and analyze natural gas flow via 24/7 Gas Control Center
- Mitigate corrosion through maintenance of cathodic protection systems, fluid sampling, and flow control
- Maintain rights-of-way for aerial patrols and routine on-site inspections

#### **Integrity Management**

- Identify high consequence areas along the transmission lines based on population and land/building use
- Create a risk model that prioritizes the high consequence areas for integrity assessment
- Complete specific evaluations, such as corrosion investigations and pressure testing, to assure integrity of the pipelines

#### **Security**

- On-site security: electronic monitoring, fences, buildings, locks, and surveillance

#### **Community Awareness**

- Mail safety brochure annually to residents and businesses located near pipelines
- Promote national “811 – Call before you dig” program to prevent accidents

Both EQT and EQM believe that public safety and environmental protection are top priorities for effective pipeline operations — and they work diligently to meet or exceed safety standards and practices.







## *A Proud History of Responsible Growth*

**In 1910,**

Equitable Gas, had 440,000  
acres under lease in PA and WV,  
and was operating

**902 wells.**

**As of December 31,  
2015**

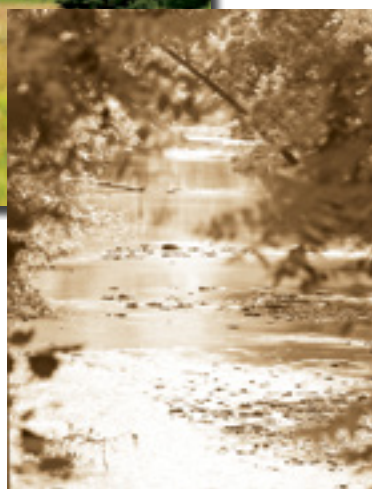
EQT had 3.4 million acres  
under lease in PA, WV, VA, KY, OH, and TX,  
and more than **12,000 gross  
producing wells.**

# ENVIRONMENTAL STEWARDSHIP

EQT has inherited many traits from its association with George Westinghouse and the Philadelphia Company. One of those is a commitment to do the right things for employees, and for the communities in which they live and work. Over the decades, EQT's dedication to protecting local environments and respecting the expectations of its growing base of stakeholders has enhanced EQT's reputation as a responsible operator.

At the forefront is EQT's Environment, Health, and Safety (EHS) Policy documenting the Company's ongoing pledge to pursue workplace safety, and strive to preserve and protect the air, water, and land near its operations. Senior management and the EQT Board of Directors support the policy, which applies to all EQT operations, its employees, and its contractors and subcontractors. This support enables numerous internal processes and procedures to evaluate risks and performance, dictates conducting regular reviews of compliance with laws and regulations, prescribes routine inspection and auditing of facilities, and guides the implementation of appropriate changes to maintain high performance.

Protecting water, air, and land throughout its operating regions is of utmost importance to EQT and its employees. To underscore that importance, every EQT employee has an annual performance objective that is aligned with social responsibility, safety, and environmental performance. Backed by an effective EHS management system that drives continuous improvement, EQT will not compromise safety or environmental protection to gain a business advantage.



## Sustainable Operations

In the early days of the natural gas industry, workplace safety and environmental responsibility were not always top priorities. Individuals and companies erected rigs wherever they saw evidence of oil or natural gas and dotted the landscape with vertical wells.

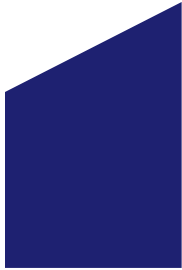
As the industry developed, inventors like Westinghouse created the necessary

tools and techniques to make early natural gas production and transmission safer. The early 20th century saw the implementation and enforcement of laws and regulations to protect employees and the environment, as well as new techniques for finding, extracting, and transporting natural gas. Techniques such as horizontal drilling or directional drilling, along

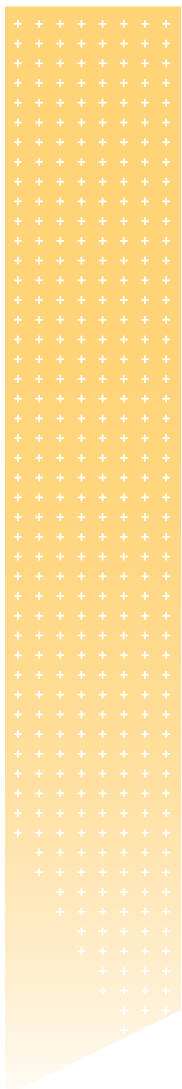
with hydraulic fracturing, opened the door for companies like EQT to expand their drilling operations into the deeper, and more productive, Marcellus and Utica Shales. These techniques also helped our Company produce more gas within a smaller environmental footprint, significantly reducing the impacts on land and protected natural habitats.

To bring structure to the Company's pursuit of integrated sustainability and operational excellence, EQT adopted the Marcellus Operations Guiding Principles, a set of protocols designed to maintain worker safety, protect fresh groundwater, and minimize other impacts on the environment.





**Where  
energy  
meets  
innovation.**



## Marcellus Operations Guiding Principles

### FLAMMABLE ATMOSPHERES

- Natural gas encountered during drilling is flared or vented away from the work area
- During completions and flowback, flammable zones are established in areas where natural gas and condensate will be flared or vented
- Natural gas liquids (condensates) produced during flowback are stored in flammable zones during flowback and removed after flowback

### HIGH PRESSURE SYSTEMS

- All equipment and components used in pressurized systems are appropriately rated and capable of operating under the maximum rated pressure
- High pressure pumps and equipment are only used when necessary and appropriate for the task
- Equipment used for pressurized services is tested for integrity

### PIT DESIGN & OPERATION

- Prior to construction, potential pit locations are evaluated to establish suitability
- Pits are engineered and designed to be stable and impervious
- Pits are inspected to establish that they are constructed as designed
- Inspections are conducted regularly to evaluate pit integrity

### WELL CONTROL

- EQT maintains a minimum of two barriers at all times between the open producing formation and the atmosphere
- A responsible person with a well control certification from an accredited training program is on site during drilling and completions
- Blowout preventers are tested prior to being placed into service
- Remote actuators are maintained for blowout preventers away from the rig and not tied to the rig hydraulic system

### WELL DESIGN & CONSTRUCTION

- Wells are designed to protect fresh groundwater and prevent natural gas migration
- Surface casing is installed and the void outside of the casing is filled with cement
- If cement circulation to the surface is not possible for the surface casing, EQT installs baskets at appropriate depths and then grouts the annulus to surface to create a barrier between subsurface zones

July 2016

The Company also began to work with other producers, environmental groups, and philanthropic organizations to promote standards for safe and sustainable operations in the Appalachian Basin. From these and other discussions, the Center for Sustainable Shale Development (CSSD) emerged. CSSD is an independent 501(c)(3) nonprofit organization whose mission is to support continuous improvement and innovative practices through performance standards and third-party certification. EQT is a founding member of CSSD, the Company's CEO serves on the CSSD Board, and EQT staff members participate in the ongoing development of CSSD performance standards.

The initial 15 performance standards for operators are protective of air quality, water resources, and climate. These standards represent consensus on best practices that are achievable and protective of human health and the environment. The goal is to ensure that each performance standard requires a level of environmental performance that exceeds the regulatory minimums established by state and federal government. Companies that meet these standards can apply to CSSD for independent third-party certification — and verification — that their operations adhere to the CSSD standards and demonstrate a commitment to integrate industry-leading practices into their continuous improvement process. The initial certification is valid for two years and a recertification audit is required every 24 months.

EQT began the rigorous certification process in July 2015, which included in-depth documentation reviews, staff interviews at company offices, and a field-based component including visits to 18 operating sites to verify that operational practices were in conformance with applicable standards. CSSD granted full certification to EQT's Appalachian Basin operations in April 2016, making the Company the fourth of the founding members to meet or exceed all 15 CSSD Performance Standards for environmental stewardship and continuous improvement for air and water protection.

## Managing Air Emissions

The emergence of natural gas as a source of clean-burning and abundant energy in the early 19th century demonstrated that it was possible to maintain productivity and still have cleaner air. Advances in the industry, and its commitment to environmental stewardship, continue to deliver that message.

In 1888, industrialized cities like Pittsburgh were coping with the smog and related air pollution resulting from the use of wood and coal to heat homes, cook food, and power industrial machinery. In fact, Pittsburgh's reputation as the "Smoky City" served as a sign of prosperity to many, so enforcement of early efforts to reduce air pollution was rare. Today, numerous local, state, and federal laws and regulations govern environmental responsibility in the United States.

EQT monitors and reports on the types of air emissions that are relevant to its business operations as well as those required by state or federal regulations. The Company does not establish specific goals or targets for its management of greenhouse gases (GHG) because these emissions can vary depending upon the type and amount of field activity that occurs each year. Instead, EQT pursues continuous improvement in those areas that provide the most opportunities for GHG reductions. During 2015, the Company's gross direct (Scope 1) greenhouse gas emissions were 1,218,665 metric tons of CO<sub>2</sub> equivalent and there were no biogenic CO<sub>2</sub> equivalent emissions to report. This calculation includes CO<sub>2</sub> (702,850 metric tons of CO<sub>2</sub>e), CH<sub>4</sub> (52,999 metric tons of CO<sub>2</sub>e), and N<sub>2</sub>O (395 metric tons of CO<sub>2</sub>e), and is independent of any GHG trades such as purchases, sales, or transfers of offsets or allowances.

## Significant Air Emissions - 2015

Air Emission Type	Weight
Nitrogen Oxides (NO <sub>x</sub> )	8,905 tons
Sulfur Oxides (SO <sub>x</sub> )	159.4 tons
Volatile Organic Compounds (VOC)	1,071 tons
Hazardous Air Pollutants (HAP)	338.9 tons
Particulate Matter (PM)	166 tons
Other Standard Categories of air emissions identified in regulations	Formaldehyde = 37 tons Carbon Monoxide (CO) = 3,116 tons
Emissions specific to EQT's shale gas production in PA	<b>PA Oil and Gas Production Inventory</b> NO <sub>x</sub> = 2,888 tons SO <sub>x</sub> = 1.8 tons VOC = 137 tons HAP = 5.4 tons PM-10 = 70 tons PM-2.5 = 68 tons CO = 904 tons

## GHG Emissions by Business Sector – 2015

Business Segment	Air Emission Type	Weight
EQT Production	Nitrogen Oxides (NO <sub>x</sub> )	7.29 tons/Bcfe
	Sulfur Oxides (SO <sub>x</sub> )	0.25 tons/Bcfe
	Volatile Organic Compounds (VOC)	0.63 tons/Bcfe
	Particulate Matter (PM)	0.37 tons/Bcfe
	Emissions Intensity*	766.74 metric tons CO <sub>2</sub> e/Bcfe
EQT Midstream	Nitrogen Oxides (NO <sub>x</sub> )	2.94 tons/Tbtu
	Sulfur Oxides (SO <sub>x</sub> )	0.00 tons/Tbtu
	Volatile Organic Compounds (VOC)	0.45 tons/Tbtu
	Particulate Matter (PM)	0.06 tons/Tbtu
	Emissions Intensity**	492.47 metric tons CO <sub>2</sub> e/Tbtu

\* The ratio denominator for calculating the Production emissions intensity is Total Production Sales Volume

\*\* The ratio denominator for calculating the Midstream emissions intensity is Total System Throughput (Transmission Volume + Gathering Volume)

As part of its continuous improvement efforts, EQT has implemented several initiatives to reduce its direct (Scope 1) greenhouse gas emissions. The total impact of these reductions varies from year-to-year based on the level of production and midstream activity taking place, however, all help to improve air quality in the communities where EQT operates.

## Ongoing Greenhouse Gas Reduction Initiatives

Business Segment	GHG Reduction Initiative
<b>Production</b>	Convert drill rigs from diesel to natural gas
	Reduce the number of completions in the Lower Huron Shale
	Increase the number of flareless completions in Marcellus shale activity. Currently, EQT does not flare or vent hydrocarbons in the production of natural gas at its operating sites.
	Directed maintenance and best management practices
	Tubing string installation
<b>EQT Midstream</b>	Conformance with CSSD leak detection and repair standard
	Flash tank separators in glycol dehydrators
	Instrument air
	Micro turbine generators
	Automated control systems

## Using Water Wisely

Drilling for natural gas in the late 1800s was not an exact science. Producers might notice water bubbling or learn that a local resident was using small gas pockets near the surface to cook. They would drill a shallow well in the area and hope to hit a natural gas pocket. These early prospectors knew little about how to locate natural gas reservoirs, how to stimulate the flow of gas, how much gas would come out of the well, or if the well would produce any gas at all. The drilling process was rudimentary, and typically required little more than a wooden rig to support the boring tools that created the hole in the ground.

Today's natural gas production process is much more sophisticated. The reliance on natural resources such as water have changed, but so have the regulatory safeguards and the commitments of companies like EQT to protect these resources and ensure that production activities have no significant or lasting effects.

### HYDRAULIC FRACTURING

With the introduction of horizontal drilling to reach natural gas deposits in previously unreachable shale formations came the increased use of hydraulic fracturing. Producers began using the technology in the 1940s on oil and natural gas wells, yet contrary to common belief, it is not the same as drilling. The process actually occurs after drilling is complete, helping to stimulate the flow of gas from reservoirs 5,000 to 10,000 feet or more below the surface.

Hydraulic fracturing relies on significant amounts of water, so the safe and responsible use of this critical resource is as important to EQT as it is to stakeholders. The fracturing fluid consists of water, mixed with sand and a small percentage of chemical additives. It is injected under controlled high pressure into wells lined with multiple layers of steel and cement, known as triple casing, that are designed to prevent any contact with groundwater or freshwater aquifers just below the surface. The pressure causes the rock formation to crack, and the sand particles hold the fractures open, allowing the gas to flow up the pipe to the wellhead.

In the early part of the 21st century, there was public concern about the construction of wells; the methods used to stimulate the flow of natural gas to the surface, including the identity of the chemicals used in the hydraulic fracturing fluid; the sources and amounts of freshwater used; and how that water was recycled and reused. With decades of knowledge and experience, EQT is leading the industry to make improvements in safety and reliability (including the implementation of self-imposed standards such as those developed by CSSD), exceed regulatory requirements, and promote responsible drilling to protect freshwater and other natural resources.

One of the ways that EQT demonstrated its commitment to operational transparency was to become one of the first natural gas producers in Appalachia to voluntarily disclose the content of the hydraulic fracturing fluid used at each of its well sites. The Company became a charter participant on FracFocus, an independent educational website created by the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission. FracFocus provides the type of information stakeholders need to help separate fact from fiction about the water and additives used for natural gas development in their communities. EQT updates its disclosures regularly, providing the general mixture amounts of the fluid used in each of its wells, and explaining the use of each chemical additive.

As part of its continuous improvement process, EQT has moved away from the use of diesel additives in its hydraulic fracturing fluid, and the Company has significantly reduced the amount of other chemicals used in the hydraulic fracturing of its wells. Traditional biocides have been replaced with environmentally friendly, non-chemical alternatives; acid utilization has been reduced by approximately 50%; and the use of improved friction-reducing products has significantly reduced the amount of this product needed in the fluid.

### WATER WITHDRAWALS

Natural gas development activities are water intensive, therefore, EQT has implemented numerous processes and procedures to ensure compliance with all local, state, and federal laws governing the monitoring and withdrawal of fresh water. The Company also employs its own measurement and monitoring controls to make sure that its drilling activities are transparent to stakeholders, and have no significant impact on nearby water or other natural resources. During 2015, the primary sources of freshwater used by EQT were surface water, municipal water, and groundwater.



## EQT Water Withdrawals – 2015

Source *	Volume (m <sup>3</sup> )				
	2011	2012	2013	2014	2015
Surface Water	1,495,418	1,387,075	2,976,947	4,246,554	5,301,649
Municipal Water	506,953	882,077	659,248	769,841	1,650,668
Ground Water	7,972	22,082	41,557	88,208	157,032
Waste Water	-	-	-	14,031	26,717
Rain Water	-	-	-	-	-
<b>Total Water Used</b>	<b>2,010,343</b>	<b>2,291,234</b>	<b>3,677,752</b>	<b>5,118,634</b>	<b>7,136,066</b>
Normalized Freshwater Withdrawal (all from natural gas production)	0.50m <sup>3</sup> /boe	0.40m <sup>3</sup> /boe	0.50m <sup>3</sup> /boe	0.50m <sup>3</sup> /boe	0.064m <sup>3</sup> /boe

\*EQT made freshwater withdrawals for horizontal drilling activities in PA, WV, and OH, but none for its TX or VA operations

The largest source of freshwater withdrawn by EQT each year is surface water, and during 2015, the Company withdrew more than 5 million cubic meters of water from this source. The amount increases from year-to-year for a number of reasons:

- the location and seasonal availability of freshwater may not match the location and timing of drilling and completions activity
- the completion of more hydraulically fractured wells results in greater total water usage
- the use of longer laterals — the horizontal portion of the well — requires more water for each completion while at the same time minimizes overall surface disturbance

Municipal water, the second largest source of freshwater, is cost effective and readily accessible in southwestern Pennsylvania, which is where most of EQT's core drilling activity takes place. EQT also made municipal withdrawals in Ohio and West Virginia.

During 2015, there was an increase in the use of ground water and wastewater. An increase in Texas completions activity caused the use of more ground water from supply wells, which is the area's predominant source of freshwater for gas production. With increased completions activity, there is also more wastewater available from recycling plants, as well as from other producers; therefore, EQT expanded the used of wastewater in its operations in 2015.

Rainwater continues to have a minimal effect on EQT's water usage. Many of the Company's water storage facilities and pits passively collect rainwater for use in its operations; however, the volumes are low, and there are too many variables to accurately measure total usage.

EQT reports its quarterly water usage to regulatory agencies in Pennsylvania, Ohio, Texas, and West Virginia. These submittals confirm that the amount of freshwater withdrawn from any source in each location did not exceed any average daily or maximum withdrawal limits, nor did they significantly affect any water source.

## Total Water Recycled

	2011	2012	2013	2014	2015
Water Withdrawn	2,010,343 m <sup>3</sup>	2,291,234 m <sup>3</sup>	3,677,752 m <sup>3</sup>	5,118,634 m <sup>3</sup>	7,136,066 m <sup>3</sup>
Recycled Water*	N/A	740,947 m <sup>3</sup>	823,778 m <sup>3</sup>	1,055,998 m <sup>3</sup>	1,769,311 m <sup>3</sup>
Recycled Water as a Percentage of Water Withdrawn	N/A	32%	22%	21%	25%

\*Includes flowback, drilling water, and produced water collected from drilling operations in PA, WV, and OH

## Recycling and Responsible Waste Management

EQT continually strives to increase the total volume of wastewater that it recycles. During 2015, the Company collected nearly all of the flowback, drilling, and produced water resulting from the completion of its wells, and in turn reused most of it to produce new wells. Improvements for collecting and reusing this water actually led to a slight increase in the ratio of withdrawn to reused water during 2015 (when compared to 2013 and 2014).

EQT's discharges of non-recyclable water took place in Kentucky (29,724 m<sup>3</sup>), West Virginia (40 m<sup>3</sup>) and Virginia (236 m<sup>3</sup>) during 2015. None of the discharged water was reused by another organization. During 2016, EQT is investigating the significant increase in flow at the Kentucky facility in 2015 (compared to 2014) to determine if the change is due to more accurate reporting or an issue with the treatment system. However, the Company believes that its permitted discharges have not significantly affected any water body on, or adjacent to, any of its drilling operations.

### Wastewater Treatment Methods - 2015

Location	Volume of Discharges	Volume of Effluents	Treatment Method	Standards and Methodologies
Kentucky	29,724 m <sup>3</sup>	7,852,320 gallons	EQT treats water to meet the discharge standards of the Kentucky Pollutant Discharge Elimination System.  The process pretreats water with an oil skimmer, and then runs it through an activated carbon filtration system.	A third-party contractor samples water every month and tests it using appropriate EPA methodology as prescribed by Kentucky discharge permit conditions. EQT reports these results on a monthly basis via netDMR, a web-based application that allows National Pollutant Discharge Elimination System (NPDES) permittee users to enter and electronically submit a Discharge Monitoring Report data to the EPA.  The volumes discharged are based on the day of sampling.
Virginia	236 m <sup>3</sup>	69,600 gallons	Water goes through a filtration system and then is disinfected using UV light prior to discharge into a local creek.	EQT maintains a permitted sanitary sewer system at its Big Stone Gap warehouse in Virginia. A third-party contractor maintains the treatment system and services it monthly. Filters are monitored using differential pressure to indicate change out requirements and the UV light system has built-in redundancy to ensure disinfection of all discharge water. The contractor replaces wear components according to the recommended maintenance schedule, or as needed.
West Virginia	40 m <sup>3</sup>	10,573 gallons	Water goes through the treatment system at EQT's Comet Compressor Station via a carbon filtration system.	Per EQT's NPDES permit, monitoring of the effluent is not required.

## EQT Disposal Methods (all waste types) – 2015

Disposal Methods	Type of Waste	Volume Disposed
Reuse	Flowback, drill pit, and production liquids from Marcellus/Utica operations	11,128,631 bbls
	Production liquid from conventional operations	16,709 bbls
Deep Well Injection	Flowback, drill pit and production liquids from Marcellus/Utica operations	1,536,283 bbls
	Production fluid from conventional operations	19,900 bbls
	Texas (brine)	791,313 bbls
	Kentucky	84,699 bbls
Recycling	Northern West Virginia (oil)	125.0 tons
	Kentucky and Virginia (oil)	793.8 tons
	Southern West Virginia (oil)	115.2 tons
	Pennsylvania (oil)	57.4 tons
Landfill	Pennsylvania (general plant trash, off-spec products, contaminated soil, brine, drill fluids, drill cuttings, and hydraulic fracturing fluids)	157,316 tons
	EQT submits annual 26r Chemical Analysis of Residual Waste reports to the Pennsylvania Department of Environmental Protection to satisfy regulatory waste reporting requirements. The operator solidifies fluids received before placing them in the landfill.	
	Northern West Virginia (well pad liners, trash, petroleum contaminated soil and solids)	2,272 tons
	Southern West Virginia	32.6 tons
	Texas	26.9 tons
Other	TEG (PA)	53.5 tons
Recovery	Petroleum contaminated solids	44 tons
Incineration	Paint waste, capacitors/packaging material, paint waste, PCB oil	1.14 tons
On-Site Storage	Not applicable to EQT Operations	-
Composting	Not applicable to EQT Operations	-

## Volume and Disposition of Produced Water – 2015

	Volume (m3)	Percentage (%)
Total Volume of Produced Water	1,749,550	-
Reused	1,422,131	81.29
Disposed by Injection Well	279,227	15.96
Disposed by Solidification in Land Fill	507	0.03
Disposed at a Recycling Facility	47,685	2.72

EQT is focused on identifying waste disposal methods that help to reduce ecological impact as well as organizational costs. When produced water is no longer suitable for recycling, EQT disposes of it in state- and federally permitted facilities.

Solid waste, such as drill mud and cuttings, are another by-product of the drilling process. Disposal methods vary and EQT seeks to balance the environmental impacts of each option in order to select the most efficient, responsible, and cost-effective disposal methods possible. The priority is to reuse or recycle, but sometimes landfills, deep well injection, or other approved methods represent options that are more appropriate. Regardless of the disposal method used, EQT complies with all regulatory requirements, including de Minimis thresholds for waste reporting.

# Sustainable Land Management

Like water, land plays a huge role in EQT’s daily activities. With approximately 3.4 million gross acres owned or under its control, the Company is keenly aware of its responsibility to minimize the impact of its operations on land near its exploration, production, gathering, and transmission activity. This includes area with high biodiversity value. EQT also understands its responsibility to work with property owners to restore their land — as close as possible — to its original condition after Company operations are complete.

## MANAGING AND PREVENTING SPILLS

EQT defines a significant spill as one requiring notification to state or federal officials. As defined by GRI, a spill of more than 100 barrels (bbls) is considered significant. During 2015, EQT experienced 57 reportable spills (all below 100 bbls each) with a total volume of 438.65 bbls. Of the total, there were 14 spills of more than one barrel each, containing 239.92 bbls of hydrocarbons; and six spills of more than one barrel each that contained non-hydrocarbons. There were no significant hydrocarbon or non-hydrocarbon spills from third parties, and none of the 57 spills required disclosure in Company financial statements.

EQT maintains Spill Prevention, Control, and Countermeasure (SPCC) plans for every worksite that stores fluid. The design of these comprehensive plans help the Company minimize the chance for a release, as well as dictate the actions required should a spill occur. The plans also define the training programs, inspection protocols, secondary containment monitoring, and repair programs required at every EQT natural gas well and compressor station.

The typical emergency response and preparedness program outlines the following action items if an incident occurs:

- Determine the source and type of spill, and begin taking corrective action
- Evacuate any employees requiring medical attention
- Isolate the area and stop the spill as soon as possible using appropriate methods
- Contain the spill with available resources, including containment ditches, diking, and Spill Kits (complete with absorbent booms, pads, pillows, and personal protective equipment); EQT does not use chemical dispersants
- Notify the immediate supervisor or Area Manager, and the Environmental Coordinator, of all spills and also complete an environmental incident investigation form
- Perform, or observe, proper cleanup measures as directed by the Environmental Coordinator

EQT uses appropriate and effective cleanup measures to remediate the spill quickly, including any affected soil, resulting in the effective absorption and/or removal of the spill. Removing and disposing of the cleanup materials promptly — according to prevailing federal, state, and local regulatory requirements — results in minimal impacts on the environment or the local community.

After each incident, EQT’s standard procedure is to evaluate the cause of the spill to identify and implement corrective action. The Company integrates the resulting improved techniques and protocols into design standards, operations, and future spill prevention plans, and shares them with its employees and contractors to prevent recurrences.

## BIODIVERSITY

During 2015, EQT owned or leased approximately 1,557 square kilometers of active acreage in legally protected areas such as wetlands, federal lands, and national parks, for extraction activities in Pennsylvania, West Virginia, Ohio, Kentucky, and Virginia. The Company endeavors to avoid drilling inside these types of sensitive areas, and has not done so in several years, including during 2015. As a result, EQT has experienced no direct or indirect impacts on biodiversity in protected areas, or in areas of high biodiversity value outside protected areas.

## EQT Acreage Leased or Owned in Protected Areas - 2015

Location	Wetlands Sq. km	Federal Land and Parks Sq. km
Kentucky	15	1,170
Ohio	3	-
Pennsylvania	7	79
Virginia	7	143
West Virginia	10	123
Total	42	1,515

On those occasions when EQT operates on land adjacent to protected areas, the Company’s expertise in horizontal drilling has enabled it to drill directionally to extract natural gas from below without disturbing the surface or the indigenous species that call these areas home. Another advantage of horizontal drilling is that it allows EQT to drill multiple natural gas wells on a single pad. This significantly benefits the local environment by reducing the amount of disturbance to land and local species.





Whether conducting extraction activities near protected land, or areas of high biodiversity value, EQT follows all federal, state, and local regulations to ensure the protection of existing species and habitats. The Company does not use international registries such as the IUCN Red List, preferring to use various domestic environmental registries to identify potential impacts to threatened, endangered, and special concern species or resources near the Company's potential operating sites. Upon identifying these species or habitats, EQT's first goal is to avoid them; if that is not possible, the Company works with the appropriate agencies in each state to develop and execute protection plans.

In one West Virginia example, EQT learned that the Indiana Bat and several species of freshwater mussels resided in or near streams close to the Company's operating areas. As part of the permitting process, EQT conducted studies in these areas to confirm whether these species were present in potential drilling sites, and where found, began to develop the appropriate steps to protect the species and their habitats. In Pennsylvania, EQT uses the Pennsylvania Natural Diversity Inventory Environmental Review tool (PNDI ER).<sup>9</sup> Using this online database, the Company can search specific areas of interest within the state for potential impacts to threatened, endangered, or special concern species and resources. If the search uncovers a potential impact to a species, EQT coordinates with the appropriate agencies to conduct a habitat survey or implement avoidance or mitigation measures before any operations activity begins. Several species have been protected this way, including the Northern Long-eared Myotis bat, the Torrey's Rush wildflower, the Harbinger-of-Spring wildflower, and the Four-angled spike-rush plant.

<sup>9</sup>PNDI ER is a function of the Pennsylvania Natural Heritage Program, a partnership between the Pennsylvania Department of Conservation and Natural Resources, the Western Pennsylvania Conservancy, the Pennsylvania Game Commission, and the Pennsylvania Fish and Boat Commission

## Energy Conservation

When the natural gas industry was in its infancy, most companies were more concerned about finding adequate and reliable sources of energy than about conserving that energy. Today, companies understand that making wise choices can have a positive impact on the environment, their employees, and their bottom line. EQT continually investigates ways to reduce its energy consumption in the office, on the job site, and on the road.

### FACILITIES

In the areas where EQT has facilities, the primary sources for production of electricity are coal, natural gas, and nuclear power.

EQT facilities used a total of 14,618 gigajoules of **direct** energy during 2015. The primary source of that energy was natural gas. Although EQT increased its square footage of occupied space in 2015, its total direct energy use for heating decreased by 5%.

The Company also consumed 29,333 gigajoules of **indirect** energy in 2015 in the form of electricity used to power lighting, cooling, computers, audio/video, and other support equipment. This represents a 9% increase over the Company's 2014 indirect energy consumption. Leasing an additional 100,000 square feet of office space in 2015 resulted in a portion of this; however, EQT's actual indirect energy costs per square foot decreased by 8% on a per square foot basis.

From 2014 to 2015, EQT's total energy consumption rose only 4% to 4,951 gigajoules, even though the Company acquired more office space and experienced a 7% increase in total heating and cooling degree days. Measured on a per square foot basis, EQT's energy conservation efforts resulted in a 12% decrease in total energy consumed.

Although EQT leases many of its facilities and cannot always choose a more efficient energy source, the Company continues to identify ways of reducing its overall energy consumption wherever possible. A significant portion of those reduction efforts come from preventive maintenance and equipment upgrades. For example, when the Company makes renovations to its office spaces, it installs more energy-efficient lighting fixtures and motion sensors to control lighting in unoccupied spaces such as conference rooms, offices, hallways, kitchens, and bathrooms. Where possible, the Company also uses night and weekend setbacks to power down displays on office equipment, and lower ambient temperatures during low occupancy periods. In facilities owned by EQT, new boiler systems, programmable thermostats, and lighting systems have also helped reduce total consumption.

## VEHICLES

In the early days of the natural gas industry, transportation options were limited. Products arriving by steamboat or railroad required ground transport to work sites via horse-drawn carts or carriages. Most employees lived very close to their place of employment and chose to walk, ride a horse, or eventually bicycle to work. As cities expanded outward during the early 1900s, the distance from home to work also increased, so new options to transport people and goods in a timely manner became a necessity. The introduction of electric streetcars and affordable automobiles with internal combustion engines transformed travel; however, it also created new and different environmental issues.

Today, EQT actively pursues ways to identify cleaner-burning and more efficient alternatives to carbon rich fuels, providing a reduction in the environmental impacts associated with transporting materials and employees to its job sites. Using Compressed Natural Gas (CNG) as a fuel source for fleet vehicles is one of the ways that EQT has significantly reduced its overall emissions. EQT fleet vehicles used by Production and Midstream business segments drive millions of miles every year. In 2011, all of EQT's fleet vehicles used gasoline or diesel as transportation fuels. In 2012, the Company began converting some of its vehicles to use CNG; however, total consumption was only 11,776 gasoline gallon equivalents (GGEs). By 2015, CNG usage by the EQT fleet rose to 73,773 in GGEs. Through the emphasis on using CNG as a primary or secondary fuel, total EQT fleet emissions have maintained a consistent level despite an increasing vehicle count. In 2016, EQT is focusing on reducing the total number of vehicles in its fleet, which will contribute to an overall reduction in emissions.

## GREEN DRILLING AND COMPLETIONS

Several years ago, EQT began testing technology that would allow it to significantly reduce, if not eliminate, the venting or flaring of natural gas as the well is prepared for connection to the pipeline system. This process, known as 'green completions' enables EQT to capture the gas that initially flows from the well by extending the pipeline to the well site before completions begins. The system immediately receives any gas released, significantly reducing methane emissions. Today, EQT uses green completions — as defined by the U.S. Environmental Protection Agency — for all of its Marcellus and Utica wells, resulting in zero flared volume during 2015.

EQT took its utilization of green drilling techniques a step further by exploring the use of natural gas as a primary fuel for its drill rigs and other completion equipment. In 2012, the Company began piloting the use of rigs powered by field gas, which is unprocessed natural gas that comes directly from a nearby well via the existing gathering lines. These natural gas-powered rigs provided many benefits including: reducing the emissions of carbon dioxide by 20% to 30% compared to their diesel counterparts; producing a fraction of the nitrogen oxides, sulfur oxides, and particulates; and eliminating much of the noise and truck traffic associated with delivering diesel fuel to power traditional drilling equipment.

EQT has steadily increased its use of drilling rigs powered by field gas, from three rigs in 2013 to seven of the nine rigs used during 2015. The Company has also started a program to convert hydraulic fracturing equipment to natural gas. During 2015, two of the nine completions crews working at EQT wells used natural gas capable equipment, and a third crew made the switch in 2016.

## EQT Transportation Impacts: 2011 – 2015

	2011	2012	2013	2014	2015
Fleet Vehicles (#)	1,136	1,150	1,236	1,294	1,369
Gasoline Used (gallons)	1,621,856	1,563,619	1,580,855	1,628,111	1,633,852
Diesel Used (gallons)	176,499	173,157	166,641	152,362	138,064
CNG Used (GGEs)	-	11,776	23,010	61,363	73,773
CO <sub>2</sub> Emissions (metric tons)	17,670	17,137	17,317	17,910	17,900
CH <sub>4</sub> Emissions (metric tons)	0.54	0.52	0.58	0.59	0.59
N <sub>2</sub> O Emissions (metric tons)	0.29	0.28	0.31	0.32	0.32

Note: All statistics exclude Equitable Gas Company, which was sold in December 2013



## *Valuing Employees and Their Families*

**In 1966,** Equitable Gas Company awarded one \$1,000 scholarship to the son or daughter of a regular employee.

**In 2016,** EQT awarded five \$7,500 scholarships to children of active employees.

# SOCIAL RESPONSIBILITY

Local communities continue to be essential to the success and long-term growth of EQT's business operations. As the Company transformed its business model from that of a gas utility to being a leader in natural gas development and production, EQT's commitment to local communities remained steadfast. History has shown that without the trust, patience, cooperation, and support of these communities, EQT would not be able to hire thousands of employees, spend millions of dollars with local businesses (who hire local residents), or contribute to the economic growth of the cities and towns within its business footprint.

## Stakeholder Engagement

EQT understands the importance of developing and maintaining open and honest dialogue with those who are most interested in, and affected by, the Company's operations. EQT's stakeholders are diverse and their specific areas of interest or concern vary widely, however, they expect to receive transparent and meaningful communications from the Company — and EQT strives to deliver. With decades of experience in working one-on-one with various stakeholders, EQT understands the importance of allowing stakeholders to express their concerns and stay informed about Company operations. EQT defines its key stakeholder groups as follows:

- Investors
- Employees
- Residents of Communities Near Operations

- Landowners/Royalty Owners/Joint Interest Partners/Midstream Customers
- Emergency Service Professionals
- Elected Officials
- Regulators
- Non-Government Organizations (NGOs)

- Nonprofit Organizations and Charities
- Suppliers
- News Media/Industry Analysts
- Industry Trade Associations



EQT monitors stakeholder interests as related to Company operations, as well as that of the broader natural gas industry. This engagement is part of the day-to-day continuous improvement efforts of the Company, and not something initiated solely for reporting purposes. The chart on page 36, "Stakeholder Audiences and Activities - 2015," illustrates EQT's integrated engagement strategies and frequencies for each stakeholder group.

Many of EQT's stakeholders share similar concerns about the natural gas industry or about how EQT conducts its business operations, however, individual groups may also have specific concerns. Experience and ongoing dialogue have enabled the Company to develop specific

response methods to meet the diverse expectations, and preferred methods of delivery, for these stakeholders. The chart on page 37, "Stakeholder Inquiries and Response Methods - 2015," details EQT's integrated response methods to stakeholder inquiries.



## Stakeholder Audiences and Activities - 2015

Stakeholder Group	Engagement Approaches	Frequency
Investors	Earnings releases, SEC filings, investor teleconferences and meetings, investor relations contacts, annual proxy statement and shareholder meeting, Corporate Secretary contact listed on the EQT, EQGP, and EQM investor websites	As needed; however, at least once each quarter
Employees	Print, electronic and video communications, employee staff meetings, intranet, electronic employee newsletters, lunch and learn seminars, volunteer activities, surveys, formal reporting channels, ethics compliance hotline	Daily
Communities/ Residents/ Emergency Service Personnel	Face-to face meetings with EQT Local Government and Community Affairs Specialists, facility and rig tours, community meetings, open houses and community appreciation events, public safety communications, phone hotlines to report problems or provide feedback, community relationship building, philanthropic giving programs, sponsorships, surveys, advertising, drilling and completion activity locations distributed weekly to local emergency service professionals, toll-free community outreach hotline	<p>Access to region-specific Local Government and Community Affairs Specialists is available as needed or requested</p> <p>Phone Hotlines, email, corporate websites, Facebook and YouTube are available 24/7</p> <p>Facility and rig tours, public safety communications, and other interactions scheduled upon request</p> <p>Community meetings and open houses scheduled as needed</p> <p>Advertising, event sponsorships, and presentations</p> <p>Focus Groups and surveys conducted as needed</p>
Landowners/ Royalty Owners/ Joint Interest Partners/ Midstream Customers	Personal meetings, letters, access to Company landmen, open houses, public meetings, toll-free royalty hotline, online customer portals for account access	Continuous - as needed or requested
Elected Officials and Regulators	Policy discussions, Political Action Committee, frequent meetings with national and state regulators, local municipal leaders and lobbyists, and membership in trade associations	Continuous - as needed or requested
Non- governmental organizations (NGOs)	Project partnerships, reporting on environmental, economic and social topics, philanthropic giving, accessibility to dialogues, environmental assessments	Continuous - as needed or requested
Nonprofit organizations and charities	Personal meetings, internet, access to EQT Foundation	Continuous - as needed or requested
Suppliers/ Contractors	Commercial relationships, websites, request-for-proposal process, training sessions, trade shows, chamber of commerce memberships, supplier diversity initiatives, including matchmaker events with prime suppliers	Continuous - as needed or requested
News media/ Industry analysts	News releases, website-based Media HQ, phone calls, e-mail exchanges, meetings, interviews, trade shows, speaking engagements by executives and senior managers	As needed or requested

## Stakeholder Inquiries and Response Methods – 2015

Topic/Concern	Response Methods
What is involved in drilling a well?	Informative videos posted to YouTube: How We Develop a Well, Addressing Our Neighbors Concerns – Well Safety, EQT Horizontal Drilling animation, Presentations
What is in the fracking fluid?	Fluid compositions for each well posted to the <a href="http://www.fracfocus.org/public">http://www.fracfocus.org/public</a> database
Employment Opportunities	Job openings posted on <a href="http://www.eqt.com">www.eqt.com</a> and other major job sites, participation in college recruiting and regional job fairs, participation in industry career fairs
Safety	Routine meetings with municipal leaders, fire departments, EMS managers, EQT Guiding Principles, and Environmental, Health, and Safety policy published on <a href="http://www.eqt.com">www.eqt.com</a>
Investor inquiries	Information posted on EQT, EQGP, and EQM Investor Relations sites, quarterly earning calls, replays, and transcripts, meetings with institutional investors, annual meeting of shareholders
Landowner Relations	Personal meetings, letters, telephone calls, direct access to Company landmen, open houses, public meetings, information and contacts posted on <a href="http://www.eqt.com">www.eqt.com</a> , online owner relations portal for existing royalty/leaseholders and midstream customers, Informative videos posted to YouTube: Addressing Our Neighbors Concerns – Land, Addressing Our Neighbors Concerns – Noise, How We Develop a Well
Land and Water Preservation	Descriptive videos posted to YouTube: Addressing Our Neighbors Concerns – Land, Addressing Our Neighbors Concerns – Water, How We Develop a Well
Pipeline Safety	Informative video posted to YouTube: Addressing Our Neighbors Concerns – Pipeline Safety, annual mailing to residents and businesses along pipeline right of ways describing pipeline safety procedures/contacts
Emissions	Descriptive video posted to YouTube: How We Develop a Well
Roads/Noise/ Local concerns	Region-specific Local Government and Community Affairs Specialists maintain regular contact with township and municipal authorities to address concerns raised by local residents about EQT operations
Charitable Giving	EQT Foundation information and procedures posted on <a href="http://www.eqt.com">www.eqt.com</a> , EQT Foundation Manager available via phone or email to address specific inquiries, Local Government and Community Affairs Specialists can field inquiries regarding smaller local giving opportunities

## Addressing Community Concerns

The Haymaker brothers had no idea that their little “oil well” would have such a profound impact on their community in Murrysville, Pennsylvania, or on the rest of the country. Once the news spread, the importance of effective communications became apparent.

Over the years, community interactions have taken on greater importance as the Company strives to grow responsibly while minimizing the number of public disagreements associated with current, planned, or proposed operations. During 2015 EQT, and its affiliate EQT Midstream Partners, were involved with four significant disputes resulting from actual operations, or proposed growth strategies. The chart on page 38 details each of these disputes.



## Significant Disputes with Local Communities – 2015

Project	Description	Dispute	Why significant *	Actions/Outcomes
Mountain Valley Pipeline	Mountain Valley Pipeline is a proposed 300-mile pipeline facility. EQT Midstream Partners is a significant partner in this project.	There is established opposition to the proposed project due to water, environmental, and property rights concerns	Significant media coverage, organized opposition to the project	EQT Midstream Partners has worked to route the pipeline in an accommodating manner for property owners; additional efforts to avoid environmental, historical, and cultural areas is also underway; the project is currently under FERC review
Churchill Drilling Operations	The proposed drilling pad in Churchill – a non-core drilling area – met with strong and organized opposition in eastern Allegheny County, PA	Local residents expressed concern with the site's planned location near homes	Significant local media coverage	A strategic decision was made to focus new development in core operating areas only, which ended the proposed development in Churchill
Bickerton Drilling Operation	The proposed drilling pad met strong and organized opposition in southern Allegheny County, PA	Local residents expressed concern with the site's planned location near homes and a proposed new school	>12 affected or involved	The proposed pad development continued until the local municipality rejected the drilling permit application; EQT appealed the decision and won the appeal; the local municipality then filed its own appeal, resulting in an automatic stay; EQT is deciding whether to pursue vacation of the stay, or allow the appeal process to proceed to decision.
Bass Compressor Station	This station has been the recipient of noise complaints from a nearby neighborhood	Noise and vibration complaints	>12 neighbors affected	EQT met or was below the township ordinance for noise and additional improvements have successfully lowered noise levels even further, EQT continues to work with neighbors still impacted by activity at the compressor station and will continue to develop permanent solutions for sound mitigation

\*EQT defines a significant dispute as one that receives sustained media coverage, has organized opposition, or involves/affects more than 12 people

EQT understands that its operations can and do affect nearby communities — especially in terms of traffic, road impact, noise, dust, and lights. The Company's pre-construction planning, which includes the review of activity in similar locations and evaluation of direct stakeholder feedback, enhances its high level of awareness about community concerns. EQT uses this knowledge to establish policies and procedures designed to minimize, or eliminate, most operational issues before they become disputes.

In order to protect and maintain EQT's corporate reputation, the Company commits significant time and resources working with communities to reduce nuisances and provide timely, accurate, and proactive communications. The Company's Local Government and Community Affairs Specialists (formerly known as Community Advisors) are EQT employees based regionally near Company operations, and they are

responsible for establishing and maintaining relationships with civic organizations, elected officials, emergency response personnel, business owners, residents, and other local stakeholders. The Local Government and Community Affairs Specialists also:

- Gather information to help EQT identify local concerns before they inconvenience neighbors
- Advocate for the community by ensuring that issues or concerns are addressed at the appropriate level within the Company and ultimately achieve resolution
- Act as a conduit for suggesting ways to strengthen Company processes and procedures
- Provide a local point of contact for residents to learn about current or future projects and how they may affect their communities

The Local Government and Community Affairs Specialists maintain an internal issues tracking database that records all aspects of an issue from identification to resolution. The database also serves as a means to escalate community issues upward within EQT, and provides lessons learned to avoid recurrences of the issue in other communities. EQT analyzes the results annually to identify trends in performance, benchmark against previous data, and help determine potential revisions to the management approach.

In 2015, EQT management began a thorough evaluation of issues/concerns related to its natural gas development opportunities. More specifically, the objective was to proactively determine how EQT's operations might affect nearby residents and businesses in more densely populated areas. By analyzing existing data, the Company developed a list of *Urban Drilling Qualifiers*, that were then added to the

current field process for evaluating potential drilling pad locations. EQT established criteria for each of the qualifiers that help determine the type of mitigation required and, in some cases, can even eliminate the site from development consideration. Qualifiers include determining:

- Distance from schools, places of worship, shopping centers, and other public gathering spaces
- Existing condition of roads leading to the proposed site
- Existing competitor projects near the site that might be sharing the same roads and community resources
- Local political climate, including ordinances restricting drilling activity or organized opposition from neighbors

As an element of continuous improvement, and with a desire to expand business operations in a responsible manner, EQT will continue to consider stakeholder needs and concerns as it further refines its approaches to local community engagement.

## Examples of Community Issues Handled by the Local Government and Community Affairs Specialists

Issue	Methods of Remediation
Construction Traffic Speed	<ul style="list-style-type: none"> <li>• Third-party monitoring by private road agents who possess law enforcement backgrounds and use radar-equipped vehicles so they can pull over construction traffic violating local speed limits</li> <li>• Work with neighborhood school districts to establish when buses are picking up or dropping off students along a road shared with construction traffic, and install signage restricting truck traffic during the posted times</li> <li>• Establish EQT self-imposed speed limits on bonded routes and install speed limit signs</li> <li>• Remove contractors who repeatedly violate traffic restrictions from EQT job sites</li> </ul>
Construction Traffic Noise	<ul style="list-style-type: none"> <li>• Carefully consider staging areas and hauling route to minimize disturbance</li> <li>• Establish EQT self-imposed speed limits on bonded routes and install speed limit signs</li> <li>• Use centralized impoundments and temporary fresh water lines to reduce water truck traffic</li> <li>• Encourage limited engine brake usage when safe and post appropriate signage</li> </ul>
Construction Traffic Frequency	<ul style="list-style-type: none"> <li>• Carefully consider staging areas and hauling route to minimize disturbance</li> <li>• Work with local school district to establish bus curfews, and install signage restricting truck traffic during posted times</li> <li>• Use centralized impoundments and temporary fresh water lines to reduce water truck traffic</li> </ul>
Noise from Drilling and Completions Activity	<ul style="list-style-type: none"> <li>• Consider using sound walls</li> <li>• Consider using dual-fuel natural gas drilling rigs and hydraulic fracturing crew to reduce diesel engine use and noise</li> <li>• Consider holiday curfew periods</li> </ul>
Road Impact and Maintenance	<ul style="list-style-type: none"> <li>• Frequent monitoring of routes and road conditions surrounding operations by Local Government and Community Affairs Specialists, as well as the EQT construction department</li> <li>• Pre-construction meetings with township, and continued updates at monthly meetings, or more frequently if necessary</li> <li>• Ongoing maintenance during the operations phase to keep roadways safe and passable</li> <li>• Milling and overlay of roads after operations are complete</li> <li>• Dust control via watering truck, and self-imposed speed limits</li> </ul>
Road Impact by Multiple Users	<ul style="list-style-type: none"> <li>• Local Government and Community Affairs Specialists work with EQT business units, state highway departments, and other companies using the same roads, to establish a cost sharing structure for multiple users</li> </ul>



## Community Investment

In the first decades of EQT's existence under the Equitable Gas Company name, friendly and efficient service to its communities was a priority. The company built modern district offices throughout its service area to enable customers to interact with Company employees when paying their utility bills, buying gas appliances, or obtaining answers to their questions. The Friendship Cottage, which was Equitable's home service center in downtown Pittsburgh, Pennsylvania, provided a ready source of information and assistance to local residents.

Today, the services have changed — the Company no longer sells appliances or is in the gas utility business — and the means of communicating with, and investing in, local communities has evolved, yet EQT's commitment remains constant. Most EQT employees live in or near the communities where they work, and the Company shares their interest in preserving the lifestyles and economic viability of their neighborhoods. That is why during 2015 EQT, and its charitable affiliate, the EQT Foundation, invested more than \$19.1 million in communities throughout the Company's six-state operating area.

### EQT Community Investments - 2015

	<b>EQT Corporation</b>	<b>EQT Foundation</b>
Educational Improvement Tax Credit Grants (PA only)	\$366,666	
Local Giving	\$333,900	
County Fairs and Festival	\$105,000	
Sponsorships and Other Community Events	\$527,390	
Roads and Infrastructure Improvements	\$12,672,057	
Grants and Contributions		\$5,143,937
<b>Total Community Investments</b>		<b>\$19,148,950</b>

Note: Community investments are limited to EQT's current operating footprint

The Commonwealth of Pennsylvania encourages businesses that pay corporate taxes to invest in educational programs benefiting local schoolchildren by allocating tax credits to businesses donating funds to approved programs. The Pennsylvania Department of Community and Economic Development is the administrator of the Educational Improvement Tax Credit Program, determining how much each company receives in tax credits, and what educational programs are eligible to receive donations. Grant recipients in 2015 included the Armstrong School District Foundation, the Community Foundation of Greene County, Reading is Fundamental, the Urban League of Greater Pittsburgh, and the Washington County Community Foundation.

County fairs, community festivals, and the sponsorship of local events also help EQT bond with its neighbors and enhance the quality of life of the residents. Everything from local fireworks displays to arts festivals, musical concerts, and the signature EQT Three Rivers Regatta have provided opportunities for local residents to get to know the Company and its employees.

Local giving by EQT ranges from small donations to support local volunteer fire departments to larger grants helping local communities complete necessary projects that exceed the limits of their local budgets. Examples of these larger contributions include \$10,000 for an emergency-helicopter landing zone in Morgan Township, Greene County, Pennsylvania, \$10,000 to the Washington County City Mission to help with repairs due to a fire, and \$7,000 to the City of Pennsboro, West Virginia, to help with a painting project for the city municipal building.

Although most small donations are less than \$2,500 each, EQT senior management must approve every request, regardless of the amount. This ensures that contributions do not support illegal or otherwise inappropriate activities, nor individuals or local authorities with decision-making responsibilities regarding EQT's current or future operations.

The EQT Foundation, a separate 501(c)(3) organization continues to increase its support of local communities, awarding more than \$5 million to support local programming in Education, the Arts, Environmental Stewardship, and Community Development. The Foundation periodically adjusts its funding priorities to ensure that its funding strategy matches the evolving needs of the communities where EQT and its affiliates operate. Contributions from EQT and from the EQT Foundation are restricted to organizations located within the United States, specifically those communities near the Company's active operations. Examples of EQT Foundation 2015 grant recipients include:



- The American Cancer Association supports EQT's signature Have a Heart...Save a Life program teaching seventh graders to perform Cardio-Pulmonary Resuscitation (CPR)
- WQED Multimedia to support EQT's signature Young Writers Contest, a partnership with local Public Broadcasting Service (PBS) stations in Pennsylvania, Ohio, and West Virginia to encourage elementary school students to create and illustrate original stories
- West Virginia Students of Excellence Scholarships program that provides a \$1,000 non-renewable scholarship to one student in each of West Virginia's 55 counties, as well as six four-year scholarships to students pursuing degrees in fields relevant to the natural gas industry
- Rebuilding Together Roanoke
- Virginia Symphony Orchestra
- Operation Warm
- The Pittsburgh Symphony
- The Mountaineer Food Bank
- The Foundation for Ohio River Education
- The Pittsburgh Parks Conservancy
- The Allegheny Land Trust
- WV Black Heritage Festival
- Greater Pittsburgh Literacy Council
- Main Street Farmers Market
- Indiana Arts Council
- West Virginia Women Work
- Project Discovery of Virginia
- YMCA of Greater Pittsburgh
- NAACP Washington Branch

Governance policies are also in place at the EQT Foundation to ensure that its grants comply with U.S. laws and regulations applicable to corporate foundations. The EQT Foundation's

Executive Operating Committee reviews all funding proposals submitted by nonprofit organizations within EQT's operating footprint, and makes recommendations to a separate EQT Foundation Board of Directors for approval. To learn more, visit the EQT Foundation website.

Truck traffic associated with EQT's operations has a significant impact on the roads near its active drilling pads, and subsequently, the quality of life for local communities, so the Company collaborates with affected counties to mitigate the burden on these local economies. During 2015, most of EQT's drilling activities occurred in Pennsylvania and West Virginia, where the Company invested more than \$12 million to improve roads and associated infrastructure in affected communities in these two states.

## Public Policy

As the natural gas industry began to grow in the late 1880s, local governments recognized the necessity for oversight to ensure that the needs of their citizens and businesses were not lost. The Philadelphia Company (EQT's predecessor) and its owner George Westinghouse embraced these early public policy discussions with politicians as a means to benefit local communities while simultaneously protecting the interests of the company and creating value for its stakeholders. EQT still embraces active participation in the political and regulatory processes, serving as an informed resource on issues directly affecting the activities of EQT and its affiliates, and those of the natural gas industry in general, with the goal of supporting fair and balanced laws and regulations that benefit all of its stakeholders. EQT also encourages transparency in its political engagement activities by providing an overview on its website.

## OVERSIGHT

EQT conducts its political and public policy activities in compliance with local, state, and federal laws. The Public Policy and Corporate Responsibility (PPCR) Committee of the EQT Board of Directors oversees EQT's public policy activities. The committee reviews and provides input and direction to management and the Board about the Company's approach to governmental affairs. Additionally, EQT has internal policies that manage its interactions with elected officials and regulatory agencies to make sure that it maintains compliance, including the requirement that no employee may engage in lobbying activity on behalf of the Company, nor use corporate treasury dollars for political purposes, without permission from EQT's Corporate Director of Government Affairs or the EQT General Counsel. The PPCR annually reviews all contributions made to political candidates, and discusses the public policy issues that affect the Company.

## POLITICAL SPENDING

EQT complies with the laws and regulations of every jurisdiction of the Company's business operations within the United States, including all campaign finance laws, federal and state, regarding political spending in support of political parties, politicians, and related institutions.

The Company does not engage in political activities, nor does it make financial or in-kind contributions to political parties, politicians, or related institutions outside the United States.

Funding for EQT political spending comes from the EQT Employees Pennsylvania State Political Action Committee (PAC), the EQT Employees Federal PAC, and EQT corporate treasury dollars. Voluntary contributions from EQT employees are the sole source of funding for the EQT Employees Federal PAC. Voluntary employee contributions, and transfers from the EQT Employees Federal PAC, fund the EQT Employees Pennsylvania State PAC. Total political spending during 2015 from the two PACs and EQT treasury dollars was \$316,050.

## POLICY ISSUES OF INTEREST

EQT supports federal, state, and local policies that promote stable investment climates for the exploration, production, and transportation of natural gas. These include policies governing environmental protection, taxes, natural gas production and transportation, and expanding the use of natural gas in the transportation, manufacturing, and electricity generation sectors. Some important legislative issues of importance to EQT during 2015 include the Pennsylvania severance tax, lease integration, intangible drilling costs, and energy infrastructure.

## EQT Political Spending - 2015

Funding Source	Beneficiary of Contribution	Amount
<b>EQT Employee PACs</b> (includes transfers from EQT Federal PAC to EQT Pennsylvania State PAC to fund operations in PA)	Candidates for, and members of, the PA General assembly, candidates for governor of PA, candidates for PA Judicial Seats	\$97,850
	Candidates for PA County and City offices	\$14,750
	Candidates for, and members of, the WV legislature, candidates for WV governor	\$39,750
	Candidates for, and members of, the KY legislature	\$20,450
	Candidates for U.S. Congress and U.S. Senate	\$36,500
<i>Subtotal - EQT PACs</i>		<b>\$209,300</b>
<b>EQT Corporation</b>	Candidates for, and members of, the VA Legislature*	\$51,750
	The Republican State Leadership Committee, and the Democratic Legislative Campaign Committee (Both are organizations created under Section 527 of the U.S. Internal Revenue Code)	\$20,000
	Go West Virginia	\$25,000
	Center for a Brighter Future Amount (Both are organizations formed under Section 501(c)(4) of the U.S. Internal Revenue Code)	\$10,000
<i>Subtotal - EQT Corporate Treasury</i>		<b>\$106,750</b>
<b>Total 2015 contributions</b>		<b>\$316,050</b>

\*The Virginia Public Access Project ([www.vpap.org](http://www.vpap.org)) discloses all EQT contributions to Virginia candidates. Discrepancies may exist between EQT's actual contributions to candidates and the disclosures found on VPAP, based on what each candidate reports to VPAP



### **Pennsylvania Severance Tax**

The state's Governor has proposed a natural gas severance tax for unconventional wells. EQT is working with the Governor's Office and the General Assembly to ensure that any severance tax proposals establish reasonable rates and maintain the key provisions of the Marcellus Shale Impact Fee that distributes revenues to local communities where Marcellus Shale drilling is taking place.

### **Lease Integration**

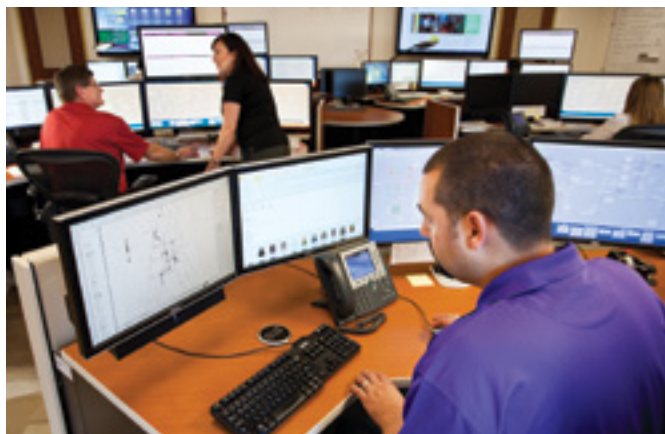
EQT supports legislation in West Virginia that allows operators to jointly develop multiple oil and gas leases owned and controlled by the same producer. Lease integration legislation gives producers the ability to jointly develop adjacent oil and gas leases at one time through horizontal drilling. It is essential to have legal mechanisms available, similar to those available in other major gas producing states, that will allow for the full development of natural gas resources — based upon a standardized set of policies that are fair to both producers' and lessors' interests. Lease integration legislation maximizes natural gas development — while minimizing the surface impact associated with natural gas well development — and also ensures that all lessors are able to benefit from the development of their resources.

### **Intangible Drilling Costs**

Federal tax law allows natural gas producers to deduct the costs associated with drilling for natural gas and oil that have no salvage value. These "intangible" drilling costs represent a significant portion of a producer's capital budget; therefore, eliminating this provision from the Federal tax code will reduce the amount of capital that is available for drilling new wells.

### **Federal Energy Infrastructure Legislation**

The U.S. Congress is considering several bills that relate to the permitting and safe operations of interstate pipelines.



EQT is monitoring these bills to ensure that any changes to the current pipeline regulatory programs are reasonable and establish a fair and predictable regulatory environment.

### **STRATEGIC CORPORATE MEMBERSHIPS**

Another important aspect of EQT's Public Policy activity is its membership in business and industry trade associations. These organizations support member companies by educating the public about key issues, advocating for the interests of its member companies and industries, developing and sharing scientific research, fostering critical relationships, and supporting informed public policy decisions.

EQT considers these memberships as strategic components of its efforts to engage stakeholders, develop and implement best practices, and encourage financial, social, and environmental sustainability by the natural gas industry. EQT employees are active members in the governance of many of these associations, often chairing key committees and subcommittees, or participating on high profile programs and projects. Company employees involved in these associations also speak at conferences, address the public/media, and represent the industry in testimony before government or regulatory bodies.

Business and industry trade associations often allocate a portion of their membership dues to lobbying activities. As part of EQT's Public Policy Oversight program, senior management of the Company must review and approve the use of corporate treasury dollars to fund these memberships, and the Company's Government Affairs department requests annual disclosures of the amount of dues used by each organization for lobbying expenses. In 2015, EQT spent \$1,002,784.68 for corporate memberships. Although \$180,079.78 of that amount was allocated by the organizations for lobbying, EQT did not direct payments to any of these associations for political purposes.



## EQT Corporate Memberships - 2015

Membership Association	Total Dues	Portion Allocated to Lobbying
Alle Kiski Strong Chamber, Armstrong County	\$1,500.00	-
Allegheny Conference on Community Development	\$124,650.00	\$24,930.00
American Gas Association	\$38,469.00	\$17,311.05
Center For Sustainable Shale Development	\$100,000.00	-
Greater Dubois Chamber	\$625.00	-
Greater Philadelphia Chamber of Commerce	\$10,000.00	\$500.00
Harrison County Chamber	\$1,000.00	-
Interstate Natural Gas Association	\$120,801.49	\$18,120.22
Kentucky Chamber of Commerce	\$11,050.00	\$1,650.00*
Kentucky Oil & Gas Association	\$12,500.00	\$3,125.00
Letcher County Chamber of Commerce	\$500.00	-
Lewis County Chamber of Commerce	\$1,000.00	-
Marcellus Shale Coalition	\$250,000.00	\$74,750.00
Mid Mon Valley Chamber of Commerce	\$395.00	-
Natural Gas Supply Association	\$85,241.00	-
Pennsylvania Business Council	\$14,308.36	\$1,717.00
Pennsylvania Chamber of Commerce	\$15,755.00	\$4,726.50
Peters Township Chamber of Commerce	\$250.00	-
Public Affairs Council	\$2,600.00	-
Rotary Club of Washington, Pennsylvania	\$500.00	-
Southern Gas Association	\$41,400.00	-
Tioga County Development Corporation	\$1,000.00	-
U.S. Chamber of Commerce	\$50,000.00	\$17,500.00
Utilities, Telecommunications, & Energy Coalition of West Virginia	\$2,500.00	-
Virginia Chamber of Commerce	\$1,000.00	\$150.00
Virginia Free	\$23,099.83	-
Virginia Oil and Gas Association	\$7,190.00	\$6,690.00 **
Washington County Chamber of Commerce	\$450.00	-
West Virginia Chamber of Commerce	\$6,000.00	\$4,350.00
West Virginia Manufacturers Association	\$2,000.00	-
West Virginia Oil And Natural Gas Association	\$76,000.00	\$4,560.00
Wetzel County Chamber of Commerce	\$1,000.00	-
<b>Total Membership Dues - 2015</b>	<b>\$1,002,784.68</b>	<b>\$180,079.78</b>

\* \$50 contributed to the Kentucky Chamber of Commerce Action Fund

\*\* \$500 dollars contributed to the Virginia Oil and Gas Association Political Action Committee

## Maintaining a Strong and Talented Workforce

In 1869, George Westinghouse became the first employer to implement nine-hour days, 55-hour workweeks, and half-holidays on Saturdays. His company built houses and sold them to its workers at an inexpensive price, and offered educational and cultural activities, all to help obtain better workers.<sup>10</sup> More than 125 years later, EQT understands the importance of attracting and retaining the talent needed for its operations.

The basis for the EQT employment brand relies on several aspects: The Company's reputation as a responsible steward of its operating communities, and as a leader in natural gas drilling technology; a commitment to diversity and inclusion, as well as integrity and ethical conduct; the training and growth opportunities available to its employees; and a robust compensation and benefits program. The comprehensive nature of U.S. labor laws and regulations makes it unnecessary for EQT to implement separate policies and practices regarding the protection of human rights.

EQT reviews and evaluates its labor practices and programs, including those for diversity and inclusion, on a regular basis to ensure compliance with applicable laws and regulations, and also to make certain that its programs are competitive with the external labor market. These evaluations look at:

- Feedback from exit interviews
- Input from internal Employee Resource Groups (ERG)
- Annual employee engagement surveys
- Turnover rate
- Internal assessments of diversity representation
- Internal assessments of compensation and benefit plans
- Benchmarking peer companies in the natural gas industry

If areas of concern surface in these evaluations, management may deem it appropriate to adjust existing programs, or develop a plan to address areas of concern.

EQT's approach to employee diversity provides another way to enhance the Company's recruitment and retention of talented employees. In fact, it is part of every employee's Corporate Social Responsibility (CSR) Value Driver, which has a direct impact on individual compensation. Annual reviews of CSR performance help EQT focus on recruiting the best talent available without regard to ethnic, racial, or other identifiers;



recognize that the advantages that employee differences bring to the workforce overshadow any perceived hindrances; maintain an environment that makes decisions objectively; and embrace diverse views and perspectives.

Company-sponsored ERGs are formed by employees with shared characteristics or life experiences, and help play a role in creating a work environment that will attract, develop, and retain diverse talent. Four groups, representing the self-expressed interest of most employees, actively support the EQT workforce:

- Multi-Ethnic
- Parents
- Women in Energy
- Developing Professionals

Since their introduction in 2013, the ERGs have sponsored numerous events and programs to help existing employees navigate and thrive in the Company culture. The membership of these groups also support EQT's external recruiting efforts by attending career fairs, volunteering in the community, serving as informal mentors to new employees, and providing feedback to the Company about its diversity representation.

### THE EQT WORKFORCE

EQT ended 2015 with 1,914 employees, all working in the United States, and classified as either full-time or part-time workers. The Company has no employees covered by collective bargaining agreements.

<sup>10</sup> Source: Westinghouse Legacy  
([www.westinghousememorial.org/history.htm](http://www.westinghousememorial.org/history.htm))

## EQT Workforce by Gender - 2015

	Male	Female	Total
<b>Total Workforce</b>	<b>1,501</b>	<b>413</b>	<b>1,914</b>
<b>Employment Type</b>			
Full-time	1,498	401	1,899
Part-time	3	12	15
Non-Union	1,501	413	1,914
Union (% of Workforce)	-	-	-
<b>Employment Location</b>			
Kentucky	198	10	208
Pennsylvania	802	339	1,141
Texas	46	2	48
Virginia	27	1	28
West Virginia	427	60	487
Other	1	1	2
<b>Minority</b>			
Minority	57	47	104
Non-Minority	1,444	366	1,810
<b>New Hires by Location (Number and Rate)</b>			
Kentucky	2 (0.10%)	-	2 (0.10%)
Pennsylvania	143 (7.47%)	67 (3.50%)	210 (10.97%)
Texas	6 (0.31%)	-	6 (0.31%)
Virginia	-	-	-
West Virginia	46 (2.40%)	6 (0.31%)	52 (2.71%)
<b>New Hires by Age (Number and Rate)</b>			
<30	71 (3.70%)	34 (1.77%)	105 (5.48%)
30 - 50	105 (5.48%)	30 (1.56%)	135 (7.05%)
>50	21 (1.09%)	9 (0.47%)	30 (1.56%)
<b>Total New Hires - 2015</b>	<b>197 (13.12%)</b>	<b>73 (17.67%)</b>	<b>270 (14.10%)</b>

	Male	Female	Total
<b>Employees Leaving by Location (Number and Rate)</b>			
Kentucky	1 (0.05%)	-	1 (0.05%)
Pennsylvania	51 (2.66%)	26 (1.35%)	77 (4.02%)
Texas	2 (0.10%)	-	2 (0.10%)
Virginia	1 (0.05%)	-	1 (0.05%)
West Virginia	20 (1.04%)	5 (0.26%)	25 (1.30%)
<b>Employees Leaving by Age (Number and Rate)</b>			
<30	13 (0.67%)	9 (0.47%)	22 (1.14%)
30 - 50	34 (1.77%)	19 (0.99%)	53 (2.76%)
>50	28 (1.46%)	3 (0.15%)	31 (1.61%)
<b>Total Employees Leaving - 2015</b>	<b>75 (3.91%)</b>	<b>31 (1.61%)</b>	<b>106 (5.53%)</b>
<b>Parental Leave</b>			
Eligible	1,321	345	1,666
Not Eligible	178	68	246
Took Parental Leave in 2015	5	22	27
Returned to Work in 2015	5	22	27
Retention 12 mos. after return	5	22	27
Retention Rate	100%	100%	100%



## EQT Workforce by Employment Category - 2015

Number and % of Workforce unless otherwise indicated	Senior Management	Supervisors/Managers	Exempt Professionals	Non-Exempt	Total
<b>Gender</b>					
Male	5 (0.26%)	317 (16.56%)	504 (26.33%)	675 (35.26%)	1,501 (78.42%)
% with performance review	100%	99%	99%	100%	
Female	2 (0.10%)	53 (2.76%)	203 (10.60%)	155 (8.09%)	413 (21.57%)
% with performance review	100%	100%	100%	98%	
<b>Minority Group</b>					
Minority	-	11 (0.57%)	50 (2.61%)	43 (2.24%)	104 (5.43%)
Non-Minority	7 (0.36%)	359 (18.75%)	657 (34.32%)	787 (41.11%)	1,810 (94.56%)
<b>Age Group</b>					
<30	-	15 (0.78%)	168 (8.77%)	162 (8.46%)	345 (18.02%)
30 - 50	1 (0.05%)	227 (11.85%)	388 (20.27%)	440 (22.98%)	1,056 (55.17%)
>50	6 (0.31%)	128 (6.68%)	151 (7.88%)	228 (11.91%)	513 (26.80%)
<b>Disabled</b>	-	3 (0.15%)	8 (0.41%)	3 (0.15%)	14 (0.73%)
<b>Reportable Veteran</b>	-	6 (0.31%)	20 (1.04%)	24 (1.25%)	50 (2.61%)





## TRAINING

Giving employees an opportunity to expand their knowledge and enhance their professional development is another way that EQT seeks to attract and retain talent, as well as ensure that core and technical skills remain current. There are several options for skills enhancement at EQT — some involve mandatory training, some involve work-specific training, and others involve optional participation in seminars, workshops, and formal certificate or degree programs.

All new employees of EQT complete an orientation session that introduces them to the Company culture, organization, leadership competencies, and performance expectations. Orientation also reinforces the Company's commitment to workplace safety, ethical conduct, environmental stewardship, benefits, and other resources available to help them succeed in their EQT careers. After reporting to their workplace, employees receive additional training as needed to develop required skill sets and ensure ability to perform job tasks safely and effectively.

As employees grow in their careers, they work with their managers/supervisors to identify other appropriate training opportunities. EQT also provides cross-functional rotational assignments, individual development plans and coaching, and in-house training. For those wanting to expand their formal education, The EQT Education Assistance Program provides financial assistance to those employees who enroll in pre-approved courses or degree programs and satisfy established grade requirements.

For those employees nearing the end of their careers, EQT also provides training and other options to ensure a smooth transition from active employment. The Company's independent 401(k) plan administrator offers online courses, one-on-one meetings, and telephone advice about retirement options. The EQT Employee Assistance Program also offers courses and individual counseling sessions to individuals retiring or involuntarily terminating from the Company.

## EQT Employee Benefits – 2015

Healthcare	Insurance	Financial	Lifestyle
Medical*	Life Insurance (Company paid)	Severance Pay	Paid Time Off
Dental*	Accidental Death & Disability (Company paid)	Relocation Assistance	Education Assistance Program
Vision*	Short-term Disability (Company paid)	401(k) Retirement Savings with matching Company contribution*	9/80 Work Schedule – optional
	Long-term Disability (Company paid)	Employee Stock Purchase Plan*	Paid Leave of Absence
	Business Travel Accident (Company paid)	Health Savings Account*	Extended Unpaid Leave of Absence
	Optional Life Insurance – employee, spouse, child	Credit Union*	Employee Assistance Program*
			Family and Medical Leave (includes maternity/paternity leave)
			Commuter Reimbursement Accounts*
			Wellness Programs*
			Matching Gift Program – 100% match up to \$50,000 per year

\*Part-time employees are eligible for these benefits

### EMPLOYEE BENEFITS

Meeting the personal and professional needs and expectations of employees and their families is part of the legacy EQT inherited from George Westinghouse. Today, EQT offers a robust benefits package designed to meet the modern needs of its diverse workforce. The benefits package is identical for every employee companywide, however, there are some variations in options for full-time and part-time employees.

To supplement the formal benefits package, EQT offers its Take Charge and Employee Assistance Programs. The Take Charge Wellness Program helps employees and their families manage personal health and wellness issues. Administered by a third-party provider, the program offers personal health coaching, wellness information, health management programs, newsletters, and employee educational sessions conducted by medical professionals during work hours. Employees that participate in approved online or telephone-based health coaching programs, smoking cessation programs, and pregnancy education can receive cash incentives from EQT.

The EQT Employee Assistance Program (EAP), administered by a third-party provider, offers confidential short-term counseling service and treatment programs, and referrals to providers that can help with family and relationship concerns, elder care, money management, and legal problems that are beyond the scope of the Take Charge Wellness Program. EAP complements Take Charge by adding resources to all employees — and anyone living in their household — including those who waive the Company's medical coverage. EQT pays the full cost for up to five in-person visits with a counselor for each problem.

The Company also offers an annual on-site health-screening program to all employees, at no cost. The screening gives the employee immediate results from the screening, and offers a consultation with a medical professional to review the findings and ask questions. To protect employee privacy, individual results (or any other information from any part of these programs) remain strictly confidential. EQT does not see program information about individual employees, however, the Company may receive aggregate information from the third-party providers for analysis purposes.



## Since 1878, Sustaining Economic Performance

**In 1950**, Equitable Gas Company separated from the Philadelphia Company and became a publicly owned company through the sale of **two million shares** of common stock.

**In 2015**, EQT had more than **152 million shares** outstanding.

## ECONOMIC IMPACT

When that first Haymaker well began producing natural gas in 1878, the changes taking place in their sleepy communities surprised many nearby residents. There were new sounds, new sights, an influx of new people, and much more traffic; however, there were also major benefits resulting from more jobs, more customers for local businesses, and new income opportunities for landowners living near producing wells. With the resurgence of the natural gas industry in the 2000s in western Pennsylvania and West Virginia, communities and the residents who live in them are once again experiencing changes that are bringing positive signs of economic growth.<sup>11</sup>



The natural gas industry has survived numerous booms and busts over the last century or so, as has the country. In the 1880s, natural gas was abundant and viewed as the country's best opportunity for affordable, locally produced energy. The most recent Shale Boom of the 2000s was facilitated by the advent of new technology and pushed the United States toward the potential of being 'energy independent.'

The cyclical nature of the oil and gas industry — what goes up, must come down — and the recent low-price environment of natural gas have threatened the viability of many companies that participate in, or provide support to, the industry. Nonetheless, EQT is successfully weathering these challenges and remains well positioned to maintain a responsible growth pattern into the future. This bodes well for the economic impact that the Company now delivers — and will continue to provide — through the combination of technical prowess, social responsibility, and sustainable economic performance.

<sup>11</sup> Biographical and Historical Cyclopedia of Westmoreland County, Pennsylvania, edited by Samuel T. Wiley, published 1890

## 2015 at a Glance

For the sixth consecutive year, EQT achieved record-setting annual production growth, including a 27% increase in total sales volumes and a 34% increase in Marcellus sales volumes in 2015. This happened even



though the average realized price to EQT for production sales volumes decreased 36% from 2014 levels. EQT's midstream business segment also delivered record gathering volumes that were 28% higher than 2014 results. Business operations and results for EQGP and EQM are included in the EQT Midstream business segment's results.

## Direct Economic Value Generated and Distributed - All Operations

	2015 Results (\$ millions)
Direct Economic Value Generated	
Revenue	2,339.8
Economic Value Distributed	
Operating Expenses	1,776.6
Employee Compensation	500.4
Dividends paid to shareholders	18.3
Taxes paid to state and local taxing entities	337.1
Community Investments	
EQT Foundation Grants (includes matching gifts)	5.1
EQT Corporation Local Giving	0.3
EQT Sponsorships and Community Events	0.6
Educational Improvement Tax Credit Grants (PA only)	0.4
Roads and Infrastructure Investments	12.7

Source: EQT 2015 Form 10-K and other internal documents



## Reserves and Production

During 2015, all of EQT's production activity occurred onshore, and primarily within the states of Pennsylvania, West Virginia, and Kentucky — with limited activity in Ohio, Texas, and Virginia. A detailed description of how the Company determines natural gas reserves is provided in the EQT 2015 Form 10-K (pp 110-111), along with the engineer's audit report filed with the EQT 2015 Form 10-K (Exhibit 99). The following table provides a breakdown of these reserves by resource type and geologic formation.

### 2015 Proved Reserves (and Production) by Resource Type and Geologic Formation

(Mboe)	Marcellus	Upper Devonian	Utica/ CBM/ Other	Total
Proved Developed	687	68	292	1,047
Proved Undeveloped	608	8	-	616
Total Proved Reserves	<b>1,295</b>	<b>76</b>	<b>292</b>	<b>1,663</b>
Total Developed Natural Gas				<b>942</b>
Total Undeveloped Natural Gas				<b>576</b>
Total Developed Oil				<b>105</b>
Total Undeveloped Oil				<b>40</b>

## Helping Economies Grow

EQT's operations have a positive influence on the local economies where it operates, yet there are several other ways that the Company and its employees support economic growth. Every year, EQT commissions an independent analysis of its activities to assess the direct and indirect economic impact of its operations on both local and U.S. economies.

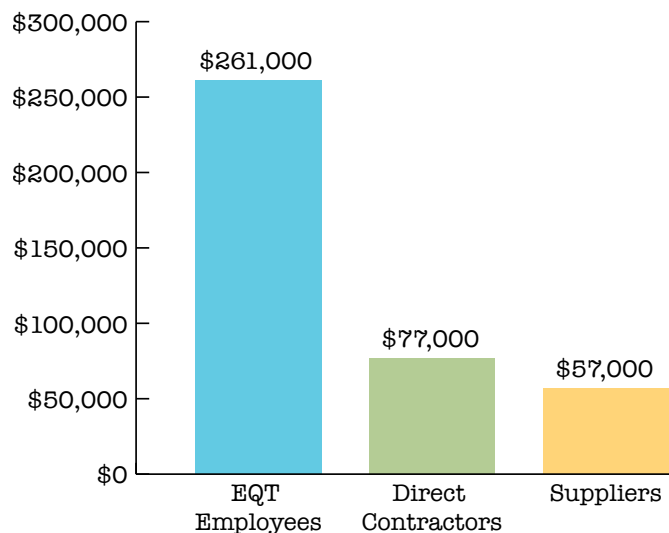
FTI Consulting, Inc. prepared the analysis and compilation of the most recent study — Economic Benefits of EQT Corporation's 2015 Investment and Operations Activities, May 25, 2016 — based on data as of December 31, 2015 supplied by EQT. The analysis shows that most of the economic contributions occur within EQT's primary operating regions, and in 2015 included the following:

- Supported 44,000 ancillary jobs
- Value-added contribution of \$4.4 billion to the U.S. Gross Domestic Product (GDP)
- Generated \$337 million in state and local tax revenues

### LABOR INCOME

The employment contributions of EQT's activities provide a significant number of jobs to its staff, direct contractors, and suppliers. In 2015, EQT's activities generated average labor income<sup>12</sup> for its employees, direct contractors, and suppliers that met or exceeded U.S. median household income in 2015.<sup>13</sup>

### Estimated Annual Average Labor Income Impacts - 2015



<sup>12</sup> Labor income includes both Employee Compensation (total payroll cost of the employee paid by the employer, including wage and salary, all benefits and payroll taxes) and Proprietor Income (total income to a sole proprietor, self "employee" or contractor). [http://www.implan.com/index.php?option=com\\_glossary&task=list&letter=](http://www.implan.com/index.php?option=com_glossary&task=list&letter=)

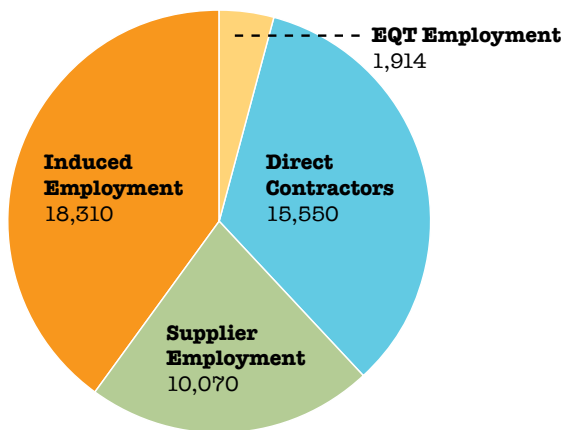
<sup>13</sup> U.S. Census, Income and Poverty in the United States: 2014. Accessed at: <https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>, 2014 median household income was increased 4.4% to 2015 levels according to BEA analysis accessed at: [http://www.bea.gov/newsreleases/regional/spi/sqpi\\_newsreleases.htm](http://www.bea.gov/newsreleases/regional/spi/sqpi_newsreleases.htm)

**EMPLOYMENT CONTRIBUTIONS**

EQT workforce contributions include its 1,914 direct employees, as well as the contractors and suppliers that support its production and midstream activities. The employment-related contributions also include the earnings spent by those employees, contractors, and suppliers, which in turn drive employment in sectors providing various goods and services (i.e., the induced impact) to the Company. The total employment contributions related to EQT activities, (including its direct employees) is estimated to be 45,850 employees in the U.S.

**Estimated U.S. Employment Contributions by EQT - 2015**

Figures rounded to the nearest 10

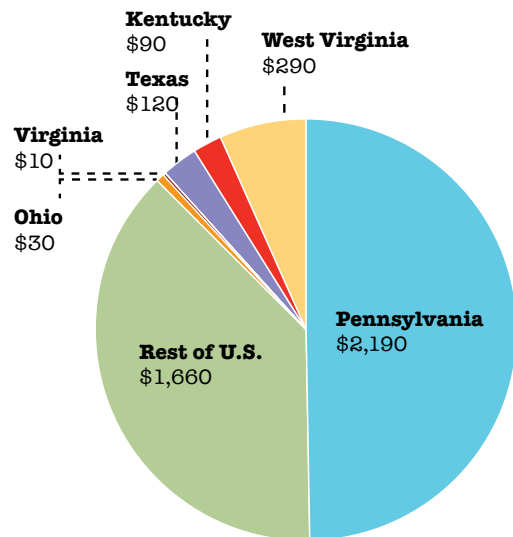


**GROSS DOMESTIC PRODUCT (GDP)**

Of EQT's \$4.4 billion in GDP, or value-added, contributions to the U.S. economy, 62% of the economic benefits occurred in states where EQT operated in 2015. The remaining 38% of contributions relate to out-of-state suppliers that provided goods and services for operational activities in EQT's six operating states.

**EQT GDP Contributions by State - 2015**

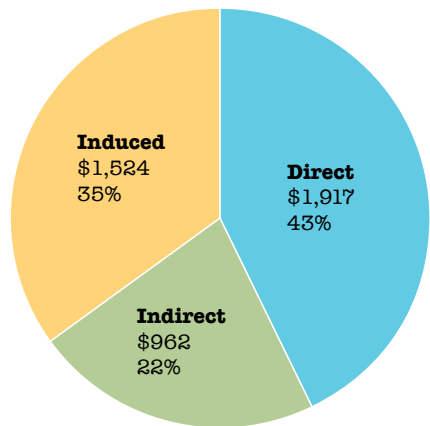
(\$ millions)



EQT's direct activities produced \$1.92 billion of GDP while the supplier GDP impact was \$962 million. The induced impact was \$1.52 billion.

**EQT Level of Economic Effect - 2015**

(\$ millions)



## STATE AND LOCAL TAX PAYMENTS

EQT activities generated \$337 million in state and local taxes in 2015, which helped to support the operations of state and local governments.

## EQT's Estimated Direct, Indirect, and Induced State and Local Tax Payments - 2015

(\$ millions)

	Pennsylvania	West Virginia	Kentucky	Texas	Ohio	Virginia	Rest of U.S.*	Total
Property Taxes	47.0	5.7	1.5	2.9	1.3	0.5	40.1	99.0
Income Tax	36.6	6.6	1.1	-	0.8	0.3	21.8	67.2
Sales Tax	53.8	10.4	0.8	1.3	1.5	0.4	44.4	112.6
Other Personal Taxes	6.3	4.7	0.4	0.2	0.1	-	5.4	17.1
Other Taxes on Production and Imports	10.5	4.0	0.6	0.8	0.4	0.1	8.4	24.8
Other	8.4	0.4	0.1	0.1	0.1	-	7.3	16.4
<b>Total</b>	<b>162.6</b>	<b>31.8</b>	<b>4.5</b>	<b>5.3</b>	<b>4.2</b>	<b>1.3</b>	<b>127.4</b>	<b>337.1</b>

\*Other states benefit economically from EQT's activities because EQT directly receives goods and services from companies located outside of its operating areas

## Maintaining a Diverse Supply Chain

Safe and responsible operations in the natural gas industry require the careful sourcing, evaluation, selection, and oversight of thousands of vendors. There were 2,794 direct suppliers in EQT's supply base during 2015, consisting of a mix of contractors, manufacturers, distributors, and consultants. The largest expenditure categories for these preferred vendors included completions, drilling support services, pipeline construction, materials, compression, and drilling rigs, and more than 99.9% of the preferred supplier spend was sourced domestically.

EQT maintains open and honest relationships with its suppliers, regardless of size or location, to make sure they are providing innovative solutions, high quality goods and services, competitive pricing, and a consistent level of performance. The Company has numerous policies and processes in place to ensure conformity with its safety, environmental, legal, and ethical conduct expectations, and every supplier is subject to the same performance considerations, including the following:

- **Safety** – Safe and environmentally friendly operations are imperative at EQT, and suppliers must achieve “approval status” (as applicable to the good or service provided) by the Company's Safety Department.
- **Value** – EQT places significant merit on the overall value that suppliers offer. Suppliers who differentiate their offerings from their competitors through increased value usually merit greater consideration.
- **Price** – EQT takes pride in being a responsible operator and a low-cost producer, therefore, in many cases, lower supplier costs are looked upon favorably as it enables the Company to achieve cost-savings.
- **Quality** – As EQT strives to be a good neighbor by respecting the communities where it operates, the Company demands best-in-class supply chain performance that mirrors this expectation.
- **Delivery** – Along with being a low-cost producer, on-time delivery is a critical measurement consideration to avoid expensive operational delays.

### **BUILDING LOCAL AND DIVERSE SUPPLIER CAPACITY**

EQT realizes that when it chooses to seek out small and diverse local suppliers to help build more sustainable operations, communities near the Company's business operations often experience a substantial boost with far reaching socioeconomic benefits. With support of the Company's Board of Directors, EQT's management team is committed to finding and, wherever possible, awarding contracts to qualified small and diverse businesses headquartered near its primary areas of operation. In fact, during 2015 EQT spent 85% of its procurement budget on suppliers physically located in or near the same city or state as the Company's business activities in the area.

EQT defines a diverse business as a Minority Business Enterprise (MBE), a Woman Business Enterprise (WBE), or a Veteran Owned Business (VOB), and actively monitors its spending with these suppliers. To help identify new qualified diverse vendors, as well as those that have the potential to become qualified, EQT collaborates with regional and national councils such as the African American Chamber of Commerce of Western Pennsylvania, and the National Minority Supplier Development Council. The Company also works with coalitions such as the Women's Business Council-Southwest and the Women's Business Enterprise Council. During 2015, EQT employees served on boards, committees, and special projects with these organizations to provide guidance and leadership. The Company also sponsored, or participated in, outreach events targeted to reach local and diverse suppliers including:

- Regional Matchmaker events, designed to connect diverse suppliers with corporations for potential business opportunities. EQT encourages its top suppliers to attend and participate in one-on-one meetings with diverse vendors.
- Education sessions on Supplier Diversity in the Natural Gas Industry, where EQT shares its experience and best practices promoting the use of local and diverse businesses

Although the specialized nature of the products and services used in the natural gas industry can complicate the ability of local or diverse suppliers to qualify immediately for direct contracts, EQT encourages its top vendors to consider diverse vendors as subcontractors to help these businesses develop relevant experience and expand business opportunities that may not exist directly with the Company. Targeted EQT procurement initiatives in this area include:

- Adding language in Company Requests for Proposals that strongly encourage top suppliers to seek out and include diverse businesses as part of their proposed solution
- Giving greater consideration to vendors who complete and submit a subcontracting document with their proposal identifying where and how they will utilize diverse vendors as part of the bidding process
- Conducting meetings with EQT's top contractors to provide supplier diversity education, outline reporting requirements for subcontracting with diverse suppliers, and identify specific commodities purchased by the top contractors to help align them with diverse firms selling those products
- Tracking diverse vendor usage by asking the Company's top contractors to provide their monthly spend with diverse subcontractors and local suppliers

EQT also works closely with local and diverse businesses that are already successfully performing work with the Company to identify opportunities to expand their scope of service. As these organizations grow their capabilities, EQT considers them for additional work, or larger projects. This capacity building effort strengthens the viability of the firm, enhances EQT's sustainability efforts, and directly boosts the local economy through job growth and business expansion.

Supporting local communities takes many forms and EQT's approach to developing a diverse and indigenous supplier base is just one of many successful outreach efforts that have become part of the Company's business strategy to sustain strong business performance and ensure responsible growth across the supply chain.



## EQT Performance Benchmark – Key Data

As of December 31, 2015

### Health and Safety Indicators

Indicator	2011	2012	2013	2014	2015
Number of Fatalities	-	1.00	-	-	-
Lost-Time Accident Rate (LTA)	0.47	0.34	0.38	0.13	0.36
OSHA Recordable Rate	1.98	2.52	2.04	1.66	1.50
Preventable Vehicle Accident Rate (PVA)	0.86	1.22	1.39	1.45	0.94
Stationary Object Strike Rate	N/A	N/A	N/A	1.02	0.42
Days Away, Restricted or Transferred (DART)	0.70	0.78	1.02	0.44	0.57

### Environmental Indicators

Indicator	2011	2012	2013	2014	2015
Fresh Water Withdrawals (1,000 cubic meters)	2,010	2,291	3,678	5,119	7,136
Volume of Produced Water (1,000 bbls)	27,952	3,647	5,172	6,642	1,750
Total Wastewater Recycled (as % of total water withdrawn)	N/A	32%	22%	21%	25%
Greenhouse Gas Emissions (1,000 metric tons CO <sub>2</sub> e)	3,313	2,695	1,119	885	1,219
Usage Rate of Compressed Natural Gas (compared to all fuel sources used)	0.1%	2.0%	2.0%	3.3%	4.0%
EQT Acreage – Wetlands (square miles)	48	47	50	42	42
EQT Acreage – Federal Land or Parks (sq. mi.)	1,550	1,479	1,538	1,577	1,515
Monetary Fines	\$142,997	\$65,925	\$149,185	\$32,349	\$251,900
Number of Reportable Spills	56	55	34	46	57
Total Volume of Spills (bbls)	244	155	475	357	439

### Private Water Supply Complaints

Indicator	2011	2012	2013	2014	2015
Total Water Supply Complaints	N/A	18	19	37	34
Potentially Related to EQT Operations*	N/A	2	1	2	1
Days to Resolution (average)	N/A	N/A	46	22	20

\*None of the investigations of incidents Potentially Related to EQT Operations revealed any contamination associated with either methane migration or fluids involved in the actual drilling or hydraulic fracturing processes

**Workforce Indicators**

Indicator	2011	2012	2013	2014	2015
Number of Employees	1,835	1,873	1,626	1,750	1,914
Employee Turnover Rate	9.9%	11.2%	10.1%	13.4%	5.5%

\*Excludes Gas Company Employees; Equitable Gas was sold in December 2013

**Community Investment Indicators**

Indicator	2011	2012	2013	2014	2015
EQT Foundation – Grants	\$3,508,035	\$2,968,000	\$3,962,000	\$4,119,000	\$5,143,937
EQT – PA Educational Improvement Grants*	\$1,488,576	\$1,146,666	\$590,555	\$504,444	\$366,666
EQT – Local Giving (PA, WV, OH, KY, VA)	\$125,930	\$208,100	\$320,200	\$325,302	\$333,900
EQT – Sponsorships & Community Events	\$295,440	\$600,175	\$432,650	\$691,025	\$632,390
EQT – Roads and Infrastructure	N/A	N/A	\$18,934,021	N/A	\$12,720,057

\*The Pennsylvania Department of Community and Economic Development determines the annual allowable investment amount

**Economic Impact Indicators**

Indicator	2011	2012	2013	2014	2015
Total Proved Reserves (bcfe) **	5,365	6,004	8,348	10,739	9,977
Net Income (millions of dollars)	\$479.77	\$183.40	\$390.60	\$386.90	\$85.17
Operating Income (millions of dollars)	\$861.30	\$389.60	\$654.60	\$853.40	\$563.14
Capital Investment (billions of dollars)	\$1.20	\$1.40	\$1.80	\$3.12	\$2.30
Royalty Payments* (millions of dollars)	\$804.64	\$949.79	\$1,850.63	\$1,548.00	\$145.60
Property Taxes (millions of dollars)	\$28.73	\$30.14	\$26.27	\$23.10	\$99.00
Severance Taxes/Impact Fees (millions of dollars)	\$27.17	\$35.12	\$43.50	\$53.02	\$42.74

\*Total Royalty Income includes payments made to both Royalty Interest and Working Interest

\*\*Proved reserves decreased 7% in 2015, primarily as a result of lower natural gas prices

**Public Policy Indicators**

Indicator	2011	2012	2013	2014	2015
Political Spending – EQT Corporate Treasury	\$14,350	\$68,000	\$43,800	\$178,700	\$106,750
Political Spending – EQT Employee PACs	\$73,939	\$127,150	\$109,959	\$146,000	\$209,300

# Global Reporting Initiative CONTENT INDEX

## General Standard Disclosures

Disclosure Number	Description	Page Number (or Link)
<b>Strategy and Analysis</b>		
G4-1	Message from the CEO	Page 3
G4-2	Key impacts, risks and opportunities	2015 EQT Form 10-K
<b>Organizational Profile</b>		
G4-3	Organization name	EQT Corporation
G4-4	Primary products and services	EQT is an integrated energy company, with emphasis on Appalachian area natural gas production, gathering and transmission
G4-5	Location of organization headquarters	Pittsburgh, Pennsylvania, United States of America
G4-6	Number and names of countries where organization operates	EQT only operates within the United States. Foreign subsidiaries are inactive.
G4-7	Nature of ownership and legal form	EQT (NYSE:EQT) is a Standard & Poor's 500 investor-owned corporation
G4-8	Markets served (geographic, sectors, types of customers)	EQT's produced natural gas sells as a commodity to marketers, utilities, and industrial customers located mainly in the Appalachian Basin and the Northeastern United States, as well as the Permian Basin of Texas. EQT's current transportation portfolio also enables the Company to reach markets along the Gulf Coast of the United States
G4-9	Scale of the organization	Page 6
G4-10	Workforce demographics	PP 46-47
G4-11	Employees covered by collective bargaining agreements	None
G4-12	Organization's supply chain	Page 54
G4-13	Significant changes during the reporting period	<p>There were no significant changes in locations, operations, the supply chain, or relationships with suppliers.</p> <p>In 2015, EQT formed EQT GP Holdings, LP (EQGP) (NYSE: EQGP), a Delaware limited partnership, to own the Company's partnership interests, including the incentive distribution rights, in EQT Midstream Partners, LP (NYSE: EQM). As of December 31, 2015, the Company owned the entire non-economic general partner interest and 239,715,000 common units, which represented a 90.1% limited partner interest, in EQGP.</p> <p>As of December 31, 2015, EQGP owned the following EQM partnership interests, which represent EQGP's only cash-generating assets:</p> <ul style="list-style-type: none"> <li>• 21,811,643 EQM common units, representing a 27.6% limited partner interest in EQM</li> <li>• 1,443,015 EQM general partner units, representing a 1.8% general partner interest in EQM</li> <li>• All of EQM's incentive distribution rights, or IDRs, which entitle EQGP to receive up to 48.0% of all incremental cash distributed in a quarter, after \$0.5250 has been distributed in respect of each common unit and general partner unit of EQM for that quarter</li> </ul> <p>EQT is the ultimate parent company of EQGP and EQM.</p>
G4-14	If and how the precautionary approach or principle is addressed	PP 23-24
G4-15	External charters, principles or other initiatives endorsed	Page 25
G4-16	Association memberships maintained at the organization level	Page 44
<b>Identified Material Aspects and Boundaries</b>		
G4-17	Entities included in consolidated financial statements	<p>EQT 2015 Form 10-K (Exhibit 21)</p> <p>Excluded from this report is EQT foreign subsidiaries, which are inactive.</p>
G4-18	Process for defining report content and Aspect Boundaries	Page 2

Disclosure Number	Description	Page Number (or Link)
G4-19	Material Aspects identified	<p><u>Economic</u></p> <ul style="list-style-type: none"> <li>- Economic Performance</li> <li>- Market Presence**</li> <li>- Indirect Economic Impacts</li> <li>- Procurement Practices</li> <li>- Reserves*</li> </ul> <p><u>Environmental</u></p> <ul style="list-style-type: none"> <li>- Energy**</li> <li>- Water</li> <li>- Biodiversity**</li> <li>- Emissions</li> <li>- Effluents and Waste</li> <li>- Compliance</li> <li>- Transport</li> </ul> <p>*Content from the G4.0 Oil &amp; Gas Sector Supplement  ** New Material Aspects added during 2015</p> <p>EQT may also disclose other information in this report for Aspects not declared as material by GRI standards.</p> <p><u>Social - Society</u></p> <ul style="list-style-type: none"> <li>- Local Communities</li> <li>- Anti-corruption</li> <li>- Public Policy</li> <li>- Anti-competitive Behavior</li> <li>- Compliance**</li> </ul> <p><u>Social - Labor Practices and Decent Work</u></p> <ul style="list-style-type: none"> <li>- Employment</li> <li>- Labor/Management Relations</li> <li>- Occupational Health and Safety</li> <li>- Training and Education</li> <li>- Diversity and Equal Opportunity</li> <li>- Equal Remuneration for Women and Men**</li> </ul>
G4-20	Aspect Boundary with the organization for each material Aspect	This report covers activity within the organization from January 1, 2015 to December 31, 2015, at EQT headquarters, all locations of the Company's Production business segment, and all locations of the Company's Midstream business segment through its ownership and control of EQT Midstream Partners, LP (Partnership or EQM). The report does not cover EQT's foreign subsidiaries, which are inactive.
G4-21	Aspect Boundary outside the organization for each material Aspect	Aspects identified as material within EQT are typically material to the Company's stakeholders outside the company, however the degree of materiality may vary by Aspect and stakeholder. The geographical locations where the Aspect is material are identical to those of the Company.
G4-22	Effect of any restatements of information in previous reports	None
G4-23	Significant changes from previous reports in Scope and Aspect Boundaries	None
<b>Stakeholder Engagement</b>		
G4-24	Stakeholder groups engaged by the organization	Page 36
G4-25	Basis for identification and selection of stakeholder groups	Page 35
G4-26	Approach to stakeholder engagement	PP 37-39
G4-27	Key topics and concerns raised through stakeholder engagement	Page 37
<b>Report Profile</b>		
G4-28	Reporting period	January 1, 2015 - December 31, 2015
G4-29	Date of most recent previous report	September 1, 2015
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions about the report	Natalie Cox Corporate Director, Communications EQT Corporation 625 Liberty Avenue, Suite 1700 Pittsburgh, PA 15222 United States
G4-32	In accordance option and Content Index	In Accordance - Comprehensive The Content Index is contained in this table
G4-33	Policy and current practice regarding external assurance	EQT conducted a self-assessment of the report; however, it did not submit the report for external assurance



Disclosure Number	Description	Page Number (or Link)
<b>Governance</b>		
G4-34	Governance structure	PP 10-11
G4-35	Process for delegating authority for economic, environment and social topics from highest governance body to senior executives	Page 9
G4-36	Appointment of senior level position(s) responsible for economic, environmental and social topics, and reporting structure	Page 9
G4-37	Process for communication between stakeholders and highest governance body	Page 12
G4-38	Composition of highest governance body and demographics	PP 10-11
G4-39	Independent chair of the highest governance body or executive officer	<p>David L. Porges is the Chairman and CEO of EQT. EQT's philosophy regarding the leadership structure of its board is set forth in Paragraph 5(g) of the Corporate Governance Guidelines, which are available under "Charters and Documents" on the EQT website.</p> <p>David L. Porges is the Chairman, CEO, and President of EQGP's general partner. EQGP's philosophy regarding the leadership structure of its board is set forth in Paragraph 5(d) of the EQGP Corporate Governance Guidelines, which are available under "Governance" on the joint EQM and EQGP website.</p> <p>David L. Porges is the Chairman, CEO, and President of EQM's general partner. EQM's philosophy regarding the leadership structure of its board is set forth in Paragraph 5(d) of the EQM Corporate Governance Guidelines, which are available under "Governance" on the joint EQM and EQGP website.</p>
G4-40	Nomination and selection processes and criteria for highest governance body	<p>Beginning in 2016, EQT directors will stand for election by shareholders annually. The EQT Board may fill vacancies. The nomination and selection process for the EQT Board is set forth on pages 25-27 of the 2016 EQT Proxy Statement under the heading "Director Nominations."</p> <p>EQT appoints the members of the EQGP and EQM Boards, and unitholders are not entitled to elect the directors of the respective general partners. The process by which members of the EQGP and EQM Boards are selected is set forth in Paragraph 5(a) of the EQGP and EQM Corporate Governance Guidelines, respectively, each of which is available under "Governance" on the joint EQM and EQGP website.</p>
G4-41	Processes of highest governing body for avoiding and managing conflicts of interest	<p>EQT, EQGP, and EQM disclose conflicts of interest to stakeholders as required by law.</p> <p>EQT has a Code of Business Conduct and Ethics pursuant to which it avoids and manages conflicts of interest. The EQT Code of Conduct and Business Ethics is available on its website (<a href="http://www.eqt.com">www.eqt.com</a>) –under "Charters and Documents" on the EQT website. EQT also has a Conflicts of Interest Policy.</p> <p>EQGP and EQM share a Code of Conduct and Business Ethics pursuant to which each company avoids and manages conflicts of interest. The EQGP/EQM Code of Business Conduct and Ethics is available under "Governance" on the joint EQM and EQGP website.</p> <p>EQT's processes regarding related person transactions are set forth on pages 28-30 of the 2016 EQT Proxy Statement. As set forth on page 30 of the 2016 EQT Proxy Statement, there are no compensation committee interlocks involving an EQT director.</p> <p>EQGP's processes regarding related person transactions are set forth on pages 129-131 of its 2015 Form 10-K under the headings "Review, Approval, or Ratification of Transactions with Related Persons" and "Conflicts of Interest." Item 13 of the 2015 EQGP Form 10-K, generally, sets forth a list of related person transactions; see pages 122-131 for this information.</p> <p>EQM's processes regarding related person transactions are set forth on pages 123-124 of its 2015 Form 10-K under the headings "Review, Approval, or Ratification of Transactions with Related Persons" and "Conflicts of Interest." Item 13 of the 2015 EQM Form 10-K, generally, sets forth a list of related person transactions; see pages 116-124 for this information.</p>
G4-42	Role of highest governance body and senior executives in development, approval and updating of purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	In addition to general oversight of the business and affairs of the applicable entity, the Boards of EQT, EQGP, and EQM also perform a number of specific functions, which are set forth in Paragraph 2 of their respective Corporate Governance Guidelines. The EQT, EQGP, and EQM Corporate Governance Guidelines are available in the "Investor" section of each company's website.

Disclosure Number	Description	Page Number (or Link)
G4-43	Measures taken to develop and enhance highest governance body's collective knowledge of economic, environmental and social topics	Page 12
G4-44	Processes for evaluating performance of highest governance body and action taken in response to those evaluations	Page 12
G4-45	Highest governance body's role in identifying and managing economic, environmental and social impacts, risks and opportunities	<p>The EQT Board is responsible for reviewing the process for assessing the major risks facing EQT and the related risk mitigation options. Please see the heading "Board's Role in Risk Oversight" on page 25 of the 2016 EQT Proxy Statement for more information regarding EQT's risk management process.</p> <p>The EQGP Board is responsible for reviewing the process for assessing the major risks facing EQGP and the related risk mitigation options.</p> <p>The EQM Board is responsible for reviewing the process for assessing the major risks facing EQM and the related risk mitigation options.</p> <p>Additionally, the EQT, EQGP, and EQM Audit Committees each review their respective company's major risk exposures and the policies each company's management has implemented to monitor and control such exposures.</p>
G4-46	Highest governance body's role in reviewing effectiveness of risk management processes for economic, environmental and social impacts, risks and opportunities	When making decisions on behalf of the applicable company, the EQT, EQGP and EQM Boards each consider the feedback from their respective stakeholders.
G4-47	Frequency of highest governance body's review of economic, environmental and social impacts, risks and opportunities	See the response to Indicator G4-45.
G4-48	Highest committee or position that reviews and approves the sustainability report and ensures coverage of all material Aspects	The Corporate Director, Communications of EQT Corporation is accountable for compiling and verifying the information set forth herein.
G4-49	Process for communicating critical concerns to the highest governance body	See the response to G4-37
G4-50	Nature and total number of critical concerns communicated to the highest governance body and mechanisms used to address and resolve them	EQT, EQGP and EQM do not have systems in place to track the critical concerns communicated to its Board of Directors
G4-51	Remuneration policies for the highest governance body and senior executives, and relation of performance criteria to economic, environmental and social objectives	<p><u><a href="#">Director Compensation</a></u> See 2016 EQT Corporation Proxy Statement, pages 31-33, Director Compensation.</p> <p><u><a href="#">Executive Officer Compensation</a></u> See 2016 EQT Corporation Proxy Statement, pages 38-61, Compensation Discussion and Analysis, and pages 76-80, Payments to be Made Pursuant to Written Agreements with the Named Executive Officers. EQT has a compensation recoupment, or "clawback," policy applicable to executive officers. The policy provides that in the event the company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the U.S. securities law, the company may recoup certain compensation from covered executives who received non-equity incentive compensation, or received or realized compensation from equity awards during the covered period.</p>
G4-52	Process for determining remuneration	<p><u><a href="#">Director Compensation</a></u> See 2016 EQT Corporation Proxy Statement, pages 31-33, Directors' Compensation.</p> <p><u><a href="#">Executive Officer Compensation</a></u> See 2016 EQT Corporation Proxy Statement, pages 22-24, Compensation Process</p>

Disclosure Number	Description	Page Number (or Link)
G4-53	Process for seeking stakeholder views and how these views are taken into account regarding remuneration (including results of votes on remuneration policies and proposals)	<p><b>Shareholder Engagement</b></p> <p>The company has conducted a formal shareholder engagement program since 2010. Executives from the Compensation and Governance functions meet with interested shareholders to discuss performance results, the Company's pay structure, and changes to the structure from the prior year plan. Time is also devoted to answering shareholder questions and taking suggestions for changes. The results of the meetings are reviewed with the CEO and the Management Development and Compensation Committee of the Board of Directors.</p> <p>Say on Pay voting results summary – FOR the proposal:</p> <ul style="list-style-type: none"> <li>• 2016 – 96.1%</li> <li>• 2015 – 98.6%</li> <li>• 2014 – 98.2%</li> <li>• 2013 – 96.9%</li> </ul>
G4-54	Ratio of total compensation of highest paid individual to median annual total compensation for all employees (excluding highest paid individual)	The information is subject to specific confidentiality constraints. For confidentiality reasons, EQT does not report/disclose compensation-based ratios. EQT does not make compensation decisions using these types of ratios.
G4-55	Ratio of percentage increase on annual total compensation of highest paid individual to median percentage increase in annual total compensation for all employees (excluding highest paid individual)	The information is subject to specific confidentiality constraints. For confidentiality reasons, EQT does not report/disclose compensation-based ratios. EQT does not make compensation decisions using these types of ratios.
<b>Ethics and Integrity</b>		
G4-56	Values, principles, standards and norms of behavior	Page 13
G4-57	Internal and external mechanisms for seeking advice on ethical conduct and lawful behavior, and organizational integrity	<p>Page 13</p> <p>EQT does not track the number of requests for advice, or the descriptions of requests. EQT also does not track the level of satisfaction for those using the mechanisms for seeking advice.</p>
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and organizational integrity	See the response to G4-57

## Specific Standard Disclosures

Disclosure Number	Description	Page Number (or Link)
<b>Category: Economic</b>		
<b>Material Aspect: Economic Performance</b>		
G4-DMA		PP 51-52
G4-EC1	Direct economic value generated and distributed	PP 51-52
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2015 EQT Form 10-K
G4-EC3	Coverage of the organization's defined benefit plan obligations	None...The EQT defined benefit pension plan was terminated (standard termination) effective 12/31/2014.
G4-EC4	Financial assistance received from government	EQT receives a tax credit from the Commonwealth of Pennsylvania equal to 70% of its contributions to the PA Educational Improvement Tax Credit Program. In 2015, this amount was approximately \$257,000.

Disclosure Number	Description	Page Number (or Link)
<b>Material Aspect: Market Presence</b>		
G4-DMA		Page 45
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	EQT's significant operations are all located within the United States, which is the hiring source for the entire senior management team.
<b>Material Aspect: Indirect Economic Impacts</b>		
G4-DMA		PP 52-54
G4-EC7	Development and impact of infrastructure investments and services supported	PP 52-54
G4-EC8	Significant indirect economic impacts, including the extent of impacts	PP 52-54
<b>Material Aspect: Procurement Practices</b>		
G4-DMA		PP 54-55
G4-EC9	Proportion of spending on local suppliers at significant locations of operations	85% PP 54-55
<b>Category: Environmental</b>		
<b>Material Aspect: Materials</b>		
G4-DMA		N/A
G4-EN1	Materials used by weight or volume	EQT does not have a mechanism in place to track all materials used by weight, volume or renewable status, but is investigating materials handling systems that may provide some of this functionality. See response to G4-EN8 for details of water usage.
G4-EN2	Percentage of materials that are recycled input materials	See response to G4-EN10 for details of water recycled and reused.
<b>Material Aspect: Energy</b>		
G4-DMA		PP 23-24
G4-EN3	Energy consumption within the organization	PP 32-33
G4-EN4	Energy consumption outside the organization	Not Applicable...EQT does not monitor or track energy consumption outside the organization
G4-EN5	Energy Intensity	Not Applicable...EQT does not monitor or track the appropriate information needed to calculate the energy intensity of its oil and gas operations with any degree of accuracy.
G4-EN6	Reduction of energy consumption	PP 32-33
G4-EN7	Reductions in energy requirements of products and services	Not Applicable...EQT does not monitor or track energy requirements of third-party products and services
<b>Material Aspect: Water</b>		
G4-DMA		Page 27



Disclosure Number	Description	Page Number (or Link)
G4-EN8	Total water withdrawn by source	<p>PP 27-28</p> <p>The amount of surface water withdrawn increased in 2015 due to the combination of more wells drilled (163 wells in 2014 vs. 247 wells in 2015) and longer laterals on each well resulting in a greater volume of water used (204,771 bbls/well in 2014 vs. 218,587 bbls/well in 2015).</p> <p>The amount of wastewater used from other sources increased significantly in 2015. The wastewater withdrawals took place in PA, OH, and WV. EQT did not use wastewater in TX, VA, or KY.</p> <p>No wastewater was transferred directly to EQT locations.</p>
G4-EN9	Water sources significantly affected by withdrawal of water	None...EQT adheres to regulations established by state regulatory agencies to determine water withdrawal thresholds necessary for maintaining ecological function of the affected water sources in order to maintain ecosystem health and human well-being. This includes the installation and monitoring of stream gauges, the monitoring of existing USGS stream gauges, and use of online water withdrawal tools when available.
G4-EN10	Percentage of and total volume of water recycled and reused	Page 29
<b>Material Aspect: Biodiversity</b>		
G4-DMA		Page 31
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>EQT holds leases which contain the following:</p> <ul style="list-style-type: none"> <li>• Wetland areas</li> <li>• Army Corp of Engineers property</li> <li>• National forest</li> <li>• State forests</li> </ul>
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	<p>None...In 2015, EQT did not drill wells within any of the sensitive areas listed in G4-EN11.</p> <p>EQT follows all Federal, State and Local regulations and guidelines within these areas for its operations in Kentucky, Ohio, Pennsylvania, Virginia, and West Virginia.</p>
G4-EN13	Habitats protected or restored	During 2015, EQT did not drill any wells in protected areas or areas of high biodiversity value, so no habitats required protection or restoration.
G4-EN14	Total number of IUCN Red list species and national conservation list species with habitats in areas affected by operations, by levels of extinction risk	EQT does not evaluate its operations and their biodiversity effects based on IUCN Red list species. The Company does follow all federal, state, and local regulations applicable wherever it operates to ensure the protection of endangered species and their habitats. Within these known areas, EQT conducts studies to identify if these species exist in potential drill sites. If they do, EQT's first goal is avoidance and if that is not possible, EQT works with the appropriate agencies to develop and execute protection plans.
<b>Material Aspect: Emissions</b>		
G4-DMA		PP 25-26
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	<p>Page 26</p> <p>EQT bases emissions on Stack Test Data, Manufacturer's Data, and/or USEPA published emission factors. All data reflects required air emissions inventory submittals and include all EQT Production and EQT Midstream operations. EQT gathers operational data and calculates emissions annually to comply with the emissions inventory requirements of each state where the Company has operations. The calculations use site-specific data, stack tests, and manufacturer's information.</p> <p>EQT does not measure or report air emissions for persistent organic pollutants or air emissions for stack and fugitive emissions. There are no plans to measure or report this data in the future as there is no business or regulatory reason to do so.</p> <p>EQT also does not maintain records of Scope 1 GHG equity basis emissions.</p>
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	EQT does not maintain records of equity basis emissions, nor does it track indirect greenhouse gas emissions from outside the Company (Scope 3).
G4-EN17	Other Indirect greenhouse (GHG) emissions (Scope 3)	EQT does not maintain records of equity basis emissions, nor does it track indirect greenhouse gas emissions from outside the Company (Scope 3).
G4-EN18	Greenhouse gas (GHG) emission intensity	<p>Page 26</p> <p>The intensity ratios only include Scope 1 emissions, as EQT does not monitor or report Scope 2 or Scope 3 emissions. Gases included in the calculations are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. EQT does not use offsets in these calculations.</p> <p>EQT is not subject to any regulations limiting emissions of GHGs on a country or regional basis, and there are no required industry regulations that apply.</p>

Disclosure Number	Description	Page Number (or Link)
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Page 26 EQT bases emissions on Stack Test Data, Manufacturer's Data, and/or USEPA published emission factors.
G4-EN20	Emissions of ozone-depleting substances (ODS)	EQT does not produce, import, or export ozone depleting substances.
G4-EN21	NOx, SOx, and other significant air emissions	Page 26
<b>Material Aspect: Effluents and Waste</b>		
G4-DMA		PP 29-30
G4-EN22	Total water discharge by quality and destination	Page 30
G4-EN23	Total weight of waste by type and disposal method	Page 30 EQT currently tracks waste for landfill, routine operations, and unusual activities on a project-by-project basis. Currently, EQT submits annual 26r Chemical Analysis of Residual Waste reports to the Pennsylvania Department of Environmental protection to satisfy regulatory waste reporting requirements. The operator solidifies fluids received before placing them in the landfill. EQT does not have any oil sands/tar sands mining operations.
G4-EN24	Total number and volume of significant spills	Page 31
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and IV, and the percentage of transported waste shipped internationally	Zero...EQT did not transport, import, export, treat, or ship internationally any hazardous wastes as defined by the Basel Convention Annex I, II, III, and VIII.
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	No water bodies or related habitats where significantly affected by EQT's operations during 2015.
<b>Material Aspect: Products and Services</b>		
G4-DMA		Not Applicable
G4-EN27	Extent of impact of mitigation of environmental impacts of products and services	Not Applicable...EQT produces and transports natural gas and related fossil fuels. The Company cannot monitor, track, or control the environmental impacts of third-party products and services derived from these fuels.
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Not Applicable...EQT produces and transports natural gas and related fossil fuels. The Company cannot monitor, track, or control the reclamation of third-party products and services derived from these fuels, nor can it track the reclamation of packaging materials for those products or services.
<b>Material Aspect: Compliance</b>		
G4-DMA		PP 23-25
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Nine fines totaling \$251,900 During 2015, EQT did not have any non-monetary sanctions, or cases brought through dispute resolution mechanisms.
<b>Material Aspect: Transport</b>		
G4-DMA		PP 23-25
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Page 33
<b>Material Aspect: Overall</b>		
G4-DMA		Not Applicable
G4-EN31	Total environmental protection expenditures and investments by type	Not Applicable...EQT does not explicitly monitor or track the type or amount of environmental expenditures and investments

Disclosure Number	Description	Page Number (or Link)
<b>Material Aspect: Supplier Environmental Assessment</b>		
G4-DMA		Page 23
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	EQT's suppliers operate primarily within the United States, so they are subject to the numerous federal, state, and local laws and regulations that govern environmental impacts. Safe and environmentally friendly operations are mandatory at EQT and the Company has numerous policies and processes in place to ensure supplier conformity with its safety, environmental, legal, and ethical conduct expectations.
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	None...See response to G4-EN32
<b>Material Aspect: Supplier Environmental Grievance Mechanisms</b>		
G4-DMA		Not Applicable
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	None
<b>Category: Social</b>		
<b>Sub-Category: Labor Prices and Decent Work</b>		
<b>Material Aspect: Employment</b>		
G4-DMA		PP 45-49
G4-LA1	Total number and rates of new hires and employee turnover by age group, gender, and region	Page 46
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	Page 49
G4-LA3	Return to work and retention rates after parental leave, by gender	Page 46
<b>Material Aspect: Labor/Management Relations</b>		
G4-DMA		Not Applicable
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	<p>EQT does not have any employees covered by collective bargaining agreements.</p> <p>EQT has not pre-determined (as a matter of policy) the minimum number of weeks of notice given in the event of significant operational changes. The length of the notice period is determined on a case-by-case basis considering several factors that include, but are not limited to, number of employees affected, type, or impact of operational change, timeframe for implementing change, etc.</p>
<b>Material Aspect: Occupational Health and Safety</b>		
G4-DMA		PP 15-18
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	<p>Page 17</p> <p>EQT does not have formal, joint management-worker safety committees; however, within the Midstream business unit a similar worker-management process, the Field Safety Technician program, enables employees to take greater ownership of their own personal safety as well as demonstrate safety leadership to co-workers. The program also enables employees to identify and prevent situations that could cause harm to themselves or those around them.</p>
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Page 17
G4-LA7	Workers in high incidence or high risk of diseases related to their occupation	EQT established an industrial hygiene program to monitor employee exposure to potential hazards such as noise and chemicals that may exist in the workplace. EQT uses the results of this program to minimize employee exposure and to ensure regulatory compliance to established threshold limits.

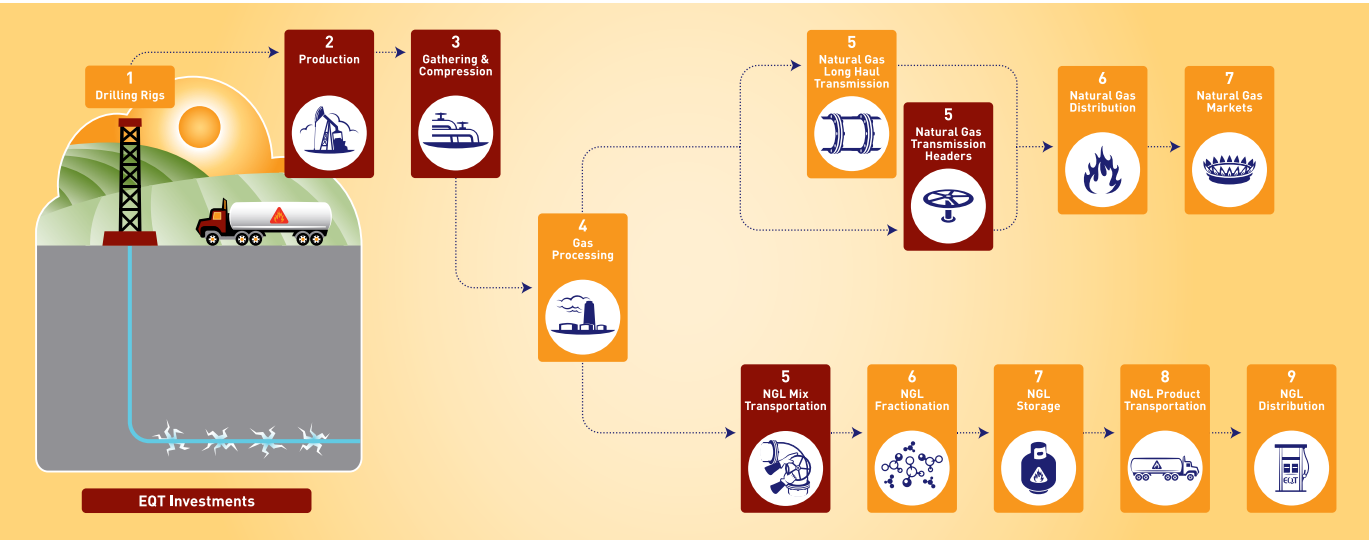
Disclosure Number	Description	Page Number (or Link)
G4-LA8	Health and safety topics covered in formal agreements with trade unions	See Response to G411 General Safety Training discussed on Page 15
<b>Material Aspect: Training and Education</b>		
G4-DMA		Page 48
G4-LA9	Average hours of training per year per employee, by gender, and by employee category	EQT does not have a mechanism for accurately tracking the training that its employees completed during the reporting period.
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Page 48
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Page 47
<b>Material Aspect: Diversity and Equal Opportunity</b>		
G4-DMA		PP 10-11; PP 45-47
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	PP 10-11 (Board Composition) PP 45-47 (Employee Composition)
<b>Material Aspect: Equal Remuneration For Women and Men</b>		
G4-DMA		Not Available
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	This information is subject to specific confidentiality constraints. For confidentiality reasons, EQT does not report/disclose compensation-based ratios. EQT does not make compensation decisions using these types of ratios.
<b>Material Aspect: Supplier Assessment For Labor Practices</b>		
G4-DMA		Page 18
G4-LA14	Percentage of new suppliers that are screened using labor practices criteria	EQT's suppliers operate primarily within the United States, so they are subject to the numerous federal, state, and local laws and regulations that govern labor practices. Compliance with these laws and regulations is mandatory at EQT and the Company has numerous policies and processes in place to ensure supplier conformity with its safety, environmental, legal, social, and ethical conduct expectations.
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	None...See response to G4-LA14
<b>Material Aspect: Labor Practices Grievance Mechanisms</b>		
G4-DMA		Not Applicable
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	None
<b>Sub-Category: Society</b>		
<b>Material Aspect: Local Communities</b>		
G4-DMA		PP 19-21; PP 35-41
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100% of EQT's operations - Headquarters, Production, and Midstream - participate in organization-wide local community engagement.  EQT maintains an ongoing dialogue with stakeholders in local communities near its operations to determine impacts and development programs to mitigate those impacts as needed.
G4-S02	Operations with significant actual or potential negative impacts on local communities	PP 35-41



Disclosure Number	Description	Page Number (or Link)
<b>Material Aspect: Anti-Corruption</b>		
G4-DMA		Page 13
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<p>EQT assesses 100% of its operations - Headquarters, Production, and Midstream - for risks related to corruption. The Company's Internal Audit function conducts the fraud risk assessment. The 2015 assessment included 34 interviews with internal subject matter experts and covered 11 categories of fraud risk:</p> <ul style="list-style-type: none"> <li>• Cyber fraud</li> <li>• Third party/vendor fraud – contract fraud</li> <li>• Third party/vendor fraud – integrity and governance risks</li> <li>• Third party/vendor procurement frauds</li> <li>• Capital projects</li> <li>• Theft of goods or services</li> <li>• Financial reporting fraud</li> <li>• Misappropriation of assets</li> <li>• Fraudulent acquisition of revenues or assets</li> <li>• Fraudulent avoidance of expenses</li> <li>• Fraudulent misconduct by senior management</li> </ul> <p>EQT hired a law firm to conduct a compliance risk assessment. The law firm interviewed more than 20 internal subject matter experts to assess EQT's compliance initiatives and risk profile in light of expected compliance practices, including any corruption risks and mitigants in place to reduce the likelihood of non-compliance.</p>
G4-S04	Communication and training on anti-corruption policies and procedures	Page 13
G4-S05	Confirmed incidents of corruption and actions taken	None
<b>Material Aspect: Public Policy</b>		
G4-DMA		PP 41-43
G4-S06	Total value of political contributions by country and recipient/beneficiary	Page 42
<b>Material Aspect: Anti-Competitive Behavior</b>		
G4-DMA		Page 13
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	None
<b>Material Aspect: Compliance</b>		
G4-DMA		Page 13
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	None
<b>Material Aspect: Supplier Assessment For Impacts on Society</b>		
G4-DMA		Page 18
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	EQT's suppliers operate primarily within the United States, so they are subject to the numerous federal, state, and local laws and regulations that govern societal impacts. Compliance with these laws and regulations is mandatory at EQT and the Company has numerous policies and processes in place to ensure supplier conformity with its social, safety, environmental, legal, and ethical conduct expectations.
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	None...See response to G4-S09
<b>Material Aspect: Grievance Mechanisms For Impacts on Society</b>		
G4-DMA		Not Applicable
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	None

Disclosure Number	Description	Page Number (or Link)
<b>Sub-Category: Product Responsibility</b>		
<b>Material Aspect: Compliance</b>		
G4-DMA		Page 13
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	None
<b>Oil and Gas Sector Supplement</b>		
<b>Category: Economic</b>		
<b>Material Aspect: Reserves</b>		
G4-DMA		Page 52
G4-OG1	Volume and type of estimated proved reserves and production	Page 52 A detailed description of how EQT determines reserves is provided on pages 110 and 111 of the 2015 EQT Form 10-K, along with the engineer's audit report filed with the 2015 EQT Form 10-K as Exhibit 99.
<b>Oil and Gas Sector Supplement</b>		
<b>Category: Environmental</b>		
<b>Material Aspect: Ecosystem Services Including Biodiversity</b>		
G4-DMA		PP 31-32
G4-OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	EQT assesses and monitors all of its operations - Headquarters, Production, and Midstream - for biodiversity risks.
<b>Material Aspect: Effluents and Waste</b>		
G4-DMA		PP 29-30
G4-OG5	Volume and disposal of formation or produced water	Page 30 EQT does not permit the discharge of any produced water to surface water, so no strategies or criteria are necessary for disposal and treatment; no report standards for produced water quality are required; and EQT has no volumes of hydrocarbon discharged in produced water to report.
G4-OG6	Volume of flared and vented hydrocarbon	100% of EQT's Marcellus completions were flareless.
G4-OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Page 30
<b>Oil and Gas Sector Supplement</b>		
<b>Category: Society</b>		
<b>Material Aspect: Local Communities</b>		
G4-DMA		PP 19-21; PP 35-41
G4-OG10	Number and description of significant disputes with local communities and indigenous peoples	Page 38
G4-OG11	Number of sites that have been decommissioned and sites that are in the process of being decommissioned	Neither EQT Production nor EQT Midstream participates in offshore activities. EQT Production has approximately 14,400 active wells and approximately 850 shut-in wells. EQT Midstream owns approximately 1,849 acres of land for compressor sites located in PA and WV. EQT did not decommission any of these sites was in 2015, nor do any sites have plans for decommissioning in the near future.
G4-OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	None
G4-OG13	Number of process safety events, by industry activity	Not Applicable...EQT does not monitor or track safety issues by Tier 1 or Tier II event categories.

# EQT'S PARTICIPATION IN THE VALUE CHAIN



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