

# FUTURE FOCUSED



ESG Report  
Calendar Year 2019



## ABOUT EQT AND THIS REPORT

# LETTER FROM THE CHIEF EXECUTIVE OFFICER

102-14 ▾

Dear Stakeholders,

Our mission is to realize the full potential of EQT to become the operator of choice for all stakeholders. At EQT, we understand the critical role that natural gas plays in supporting the energy mix of the future and, as the largest producer of domestic natural gas, we accept our responsibility in being a standard bearer.

The shale revolution has unlocked an abundant fuel source, which has propelled the United States' economy forward, provided an affordable energy source for consumers and contributed to the domestic reduction of greenhouse gas emissions. This revolution has also transitioned the United States from a net importer to a net exporter of natural gas — which in turn reduces our reliance on foreign energy sources, provides a cleaner energy to aid the reduction of global emissions, and increases energy security for millions across the globe. Alongside an improving renewables industry, we believe that natural gas can and will play a leading role in the energy mix of the future, one that maximizes the environmental, economic and social equity benefits.

Coming into the organization in 2019, my goal and the goal of our newly reconstituted Board of Directors was to effect the operational, organizational and technological changes needed to ensure that EQT plays a meaningful part in continuing, and significantly improving upon, these benefits.

With that in mind, I am pleased to share *Future Focused*, EQT's ninth annual Environmental, Social and Governance (ESG) report produced under the Global Reporting Initiative guidelines. This report outlines our 2019 operational data, environmental and governance disclosures and our social outreach efforts. We made significant progress in 2019, and are excited about what is to come.

## CREATING TODAY'S EQT

Our leadership team appointed in July 2019 successfully executed a 100-Day Transformation Plan with three key focus areas: operations, organization and technology.

**Operations:** Our goal was to maximize the capital efficiency of our operations in order to realize the full potential of EQT's world-class assets. To enable [combo-development](#), our approach centered on three areas: development planning, execution and scale. We deployed proven well designs across an efficient schedule to enable combo-development — and in turn aligned these efforts to meet the expectations of our corporate goals. We are delivering consistent, best-in-class well economics on schedule by setting the right goals for execution and establishing an integrated project management system. Additionally, we are leveraging our infrastructure, activity levels and organization to lower costs.

**Organization:** Our goal was to develop a team that produces peer-leading results by focusing our efforts on people, culture and the structure of the organization. We added proven leaders across the organization, ensured that we have capable staff and balanced the workforce to execute our current goals and future corporate strategy. Additionally, we established an efficient, function-based organizational structure by restructuring our departments and roles to ensure accountability and alignment with our mission. Finally, our cultural transformation began by establishing our mission, vision and values. As a values-driven organization, we strive to ensure that *Trust, Teamwork, Heart and Evolution* are evident in the way we interact each day.

**Technology:** Our goal was to deliver technology that connects our business, drives sustainable performance and prepares us for the future. To achieve this, our approach centered on three areas: digital technology, oilfield technology and innovation. We implemented our [digital work environment](#), bringing radical transparency to the organization and setting the foundation for innovation. We then leveraged oilfield technology to evolve operational efficiencies in the field by maximizing existing technology, exploring new oilfield technologies and executing on our campaign to “electrify the oilfield.” We also established our innovation machine, which engages the workforce to funnel new ideas and execute on the highest value initiatives. Our commitment to technology has set the stage to evolve EQT into a modern, connected and digitally-enabled organization.

## ESG APPROACH AND HIGHLIGHTS

**Environmental:** We continued to execute and build on our leading position in environmental performance in 2019. Overall, our methane intensity level of 0.06% remains significantly below the 2025 goal of 0.28% established by the [ONE Future Coalition](#) for the production sector. As we exited the year, we began executing on our first combo-development project. Our actions in 2019 have resulted in approximately 30% reduction in our Pennsylvania Marcellus well costs and approximately 25% reduction in our general and administrative costs, driven principally by operational efficiencies. Although not reflected in the 2019 data, we anticipate that we will experience a similar step-change in environmental performance as a result of executing on our combo-development strategy. This expected decline in emissions will serve as our baseline to set a strong foundation in our environmental metrics.

Furthermore, our ability to pursue a combo-development strategy has allowed us to transition all of our hydraulic fracturing operations to electric fleets, eliminating nearly 16 million gallons of diesel fuel from our completions operations, as of October 2020.

**Social:** Our organizational and technological efforts were significantly geared toward maximizing the potential of our employee base by eliminating silos, democratizing data and increasing transparency and accountability. We established a digital work environment in 2019 to facilitate these efforts, a step that proved critical as we transitioned into a full work-from-home world in response to the COVID-19 pandemic. During this time, our employees have remained empowered, engaged and connected, with internal polls showing 99% of responding employees feeling productive and connected, and 98% reporting that they are as or more engaged working from home as compared to working in the office. In addition, our intense focus on leveraging data allowed us to create a contact tracing insight to rapidly alert hundreds of contractor partners and employees of potential primary and secondary exposure events.

**Governance:** In connection with initiatives stemming from the 100-Day Transformation Plan, we established a management-level Environmental, Social and Governance (ESG) Steering Committee to oversee and promote the development and execution of our ESG strategy. This Committee, which reports to both our Board level Public Policy and Corporate Responsibility Committee and Corporate Governance Committee, is comprised of myself, our Chief Financial Officer and our General Counsel, as well as other senior leaders representing functions impactful on our stakeholders.

## FUTURE FOCUSED

While I am pleased with our 2019 performance, at EQT we are focused on our continued evolution and becoming the operator of choice for all stakeholders. As an effectively new company given our recent change in leadership and operational strategy, we are not yet at a place where we are able to establish meaningful goals pertaining to our environmental impact. Our aim is not just to meet standards established by our industry, but rather to establish aggressive goals designed to push continuous improvement of our performance. In furtherance of that objective, we are collecting data to establish the baseline of the new EQT’s performance, and we are firmly committed to setting meaningful environmental goals in the future.

Our alignment with stakeholders is critical in crafting the EQT needed to support the continuation of the environmental, economic and social benefits of natural gas. As you will see in this report, we believe that engagement, transparency and accountability are the cornerstones of establishing that alignment, and I look forward to our collective journey into the future.

Sincerely,



Toby Z. Rice  
President and Chief Executive Officer



ABOUT EQT AND THIS REPORT

# SUSTAINABLE VALUE CREATION

## Natural Gas and the Global Economy

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Natural gas represents a critical component of the domestic and global energy supply mix, as it is readily available, affordable and reliable. In the United States, the shale revolution has unlocked an abundant supply of low-cost natural gas. The benefits of the revolution have been meaningful, both in spurring the domestic economy and in maintaining reduced power and heating costs for consumers. One of the most meaningful benefits, however, has been the impact on greenhouse gas (GHG) emissions. According to the [U.S. Energy Information Administration](#), natural gas consumption has reduced domestic carbon dioxide emissions to 27-year lows — and this decline is projected to continue — principally attributable to the large-scale replacement of coal-fired power plants and the expansion of renewables.

During this same time period, the United States transitioned from a net importer to a net global exporter of natural gas.<sup>[1]</sup> Not only does the export of domestically produced natural gas allow the United States to limit the geopolitical influence of other major producers like Russia, it also allows the United States to influence transparency of operations and environmental impact on a growing portion of the global energy supply mix, thereby increasing the United States' impact on achieving global climate goals.

Furthermore, natural gas will continue to play an important role in the impact of energy on social equity locally, nationally and abroad. Our operations are principally concentrated in Southwestern Pennsylvania, Southeastern Ohio and Northern West Virginia — areas historically characterized as lower socioeconomic regions. Responsible development of natural gas has led to an infusion of a significant amount of capital in our operating areas, both to landowners and the broader communities, and has served as an engine for improving the quality of life in these regions. On a national scale, natural gas represents one of the most abundant, low-cost, low-impact, reliable base loads for power, tamping down power costs — a meaningful expense for underprivileged Americans — over the past two decades despite a significant increase in the overall demand for power. Internationally, with the export of liquefied natural gas (LNG), domestically produced natural gas has the opportunity to expand these benefits to other underprivileged regions of the world.

<sup>1</sup> <https://www.eia.gov/energyexplained/natural-gas/imports-and-exports.php>

## Our Strategy

103-1, 103-2 ▾

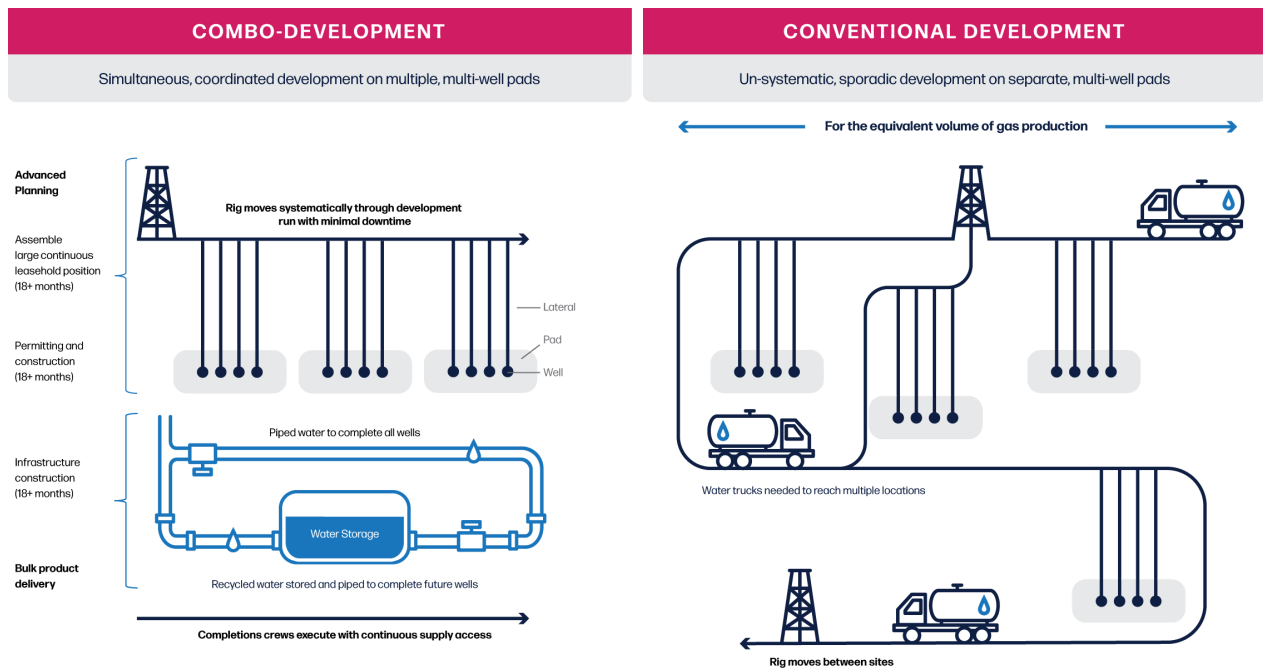
As the largest producer of natural gas in the United States, EQT will have an influential impact on the continued trajectory of this vital energy source. Our goal is to be the operator of choice for all stakeholders.

Promoting and investing in sustainable practices creates value for EQT and our stakeholders and lessens our impact on the environment and our communities, all while creating process efficiencies. Examples include working to lower our emissions and impact on land, maintaining transparent relationships with communities and landowners, and engaging with and supporting the safety of our employees and contractors. To that end, we pursue responsible development in a way that minimizes our environmental impact while maximizing efficiencies. We are one of the lowest-cost producers of natural gas in the United States, and believe our environmental, social, and governance (ESG) strategy will be an integral part of our success for EQT and our stakeholders.

Over the last year, new leadership has overseen a transformation of EQT that has resulted in an approximately 30% decrease in our Pennsylvania Marcellus well costs and an approximately 25% reduction in our general and administrative costs while preserving our core inventory. We achieved this step-change in operating costs by retooling a 130-year-old company into a modern, digitally-enabled organization capable of executing on a development strategy unique among our peers.

## COMBO-DEVELOPMENT

Our operational strategy — which we refer to as combo-development — focuses on developing multiple multi-well pads in tandem, thereby generating value through efficiencies and reducing our environmental footprint. In today’s “value over volumes” environment, the differentiating factor among upstream operators is operating efficiencies. Operators are targeting the maintenance of flat to low growth in production volumes, and accordingly are targeting development opportunities that can achieve the additional needed production volumes to offset existing well declines at their lowest costs.



Over the course of one year, the shift to combo-development has resulted in an approximately 30% improvement in our drilling operations and an approximately 20% improvement in our fracturing operations.

Coordinated development of multiple multi-well pads allows for efficiencies across all levels of the development process. In the drilling stage, rigs spend more time drilling and less time transitioning to new sites. Advanced planning allows for delivery of piped fresh water (as opposed to trucking water) and bulk hydraulic fracturing (frac) sand, increasing completions crew efficiencies by ensuring continuous availability of supply needs, as well as the ability to use more environmentally friendly technologies. We are also able to pass the benefit of efficient development on to our service providers, reducing overall contract rates by maximizing supplier efficiencies, as seen in our renegotiated midstream services agreement with Equitrans Midstream Corporation in early 2020. In essence, combo-development represents a similar step-change in efficiency improvements to those seen throughout the industry in the first evolution of shale development, as companies transitioned from single well development to pad development.

The benefits of combo-development are not merely financial. They extend to environmental and social impacts as well. When compared to development of similar production from non-combo-development operations, combo-development translates into fewer trucks on the road, less fuel usage, shorter periods of noise pollution, fewer areas impacted by midstream pipeline construction and shortened duration of site operations, thereby enabling a greater focus on safety and environmental protection. These are only a few of the direct impacts. From an indirect standpoint, combo-development provides opportunities to invest in new, environmentally friendly technologies, such as electric frac fleets, hybrid drilling rigs and next generation wellhead connection units, each of which we have deployed in the last year.

The combo-development evolution, however, will not be accessible to all of our peers. Combo-development requires significant advanced planning — establishing a large, contiguous leasehold position; receiving regulatory permits; and ensuring timely midstream connectivity and advanced sourcing of products such as frac sand and water. Being able to plan for development three to five years into the future, and to quickly respond to internal and external stimuli, are prerequisites to pursuing combo-development. Without a modern operating model to allow such response, and without an acreage position to allow operations of this scale, combo-development is impossible.

We believe that our refocused operational strategy uniquely positions EQT to provide peer-leading operating costs. Furthermore, for the reasons outlined above, it is our expectation that we will see a similar step-change in our environmental impact as we have seen in operational costs. We are committed to driving sustainable value creation and being the operator of choice for all of our stakeholders.

## 100-DAY PLAN

Starting in July 2019, new leadership began executing on a 100-Day Transformation Plan to evolve EQT into a modern, digitally-enabled company to allow us to realize our full potential. The plan's overall goal was to build a foundation for a modern operating model capable of executing on a combo-development strategy.

Focus Area	Initiative
Operations	<ul style="list-style-type: none"> <li>Effective <b>planning</b> to execute large-scale development projects</li> <li><b>Execute</b> proven well designs on time, on budget</li> <li>Leverage EQT's <b>scale</b> to lower per unit costs</li> </ul>
Organization	<ul style="list-style-type: none"> <li>Ensure we have the right <b>people</b></li> <li>Build <b>culture</b> to align with vision</li> <li><b>Structure</b> workforce to ensure accountability and collaboration</li> </ul>
Technology	<ul style="list-style-type: none"> <li><b>Digitally</b> connect workforce to streamline "Insight to Action"</li> <li>Leverage <b>oilfield tech</b> to evolve field operations</li> <li>Unleash <b>innovation</b> at scale</li> </ul>

Over the next several months, we successfully executed the plan, reducing our general and administrative costs by approximately 25% while preserving our core inventory. The plan effectively set a foundation for our future success, allowing us to deliver shareholder value in alignment with our overall strategy. See below for details related to our three focus areas.

### Operations

Our operational strategy involves the execution of large-scale combo-development projects and investing in land and permitting to create a more streamlined operational plan that enables us to develop multiple wells and pads simultaneously. We strive to maximize the efficiency of our operations in order to realize the full potential of our world-class assets. As described above, focusing on combo-development projects to maximize operational efficiencies is critical to our operational strategy, and we believe it will reduce costs, reduce our environmental footprint, improve safety on our work sites, increase efficiencies, maximize reservoir recoveries, mitigate future curtailments and maximize the capital efficiency of our midstream service providers. We believe this practice will also differentiate EQT from our peers and ease planning processes. As described in [Landowner Relations](#), this involves maintaining close and trusting relationships with our landowners to ensure they understand our objectives and that their concerns are addressed.

We expect to drill approximately 13 to 25 wells per combo-development project, with average lateral lengths from 12,000 to 14,000 feet. We have deployed proven well designs across an efficient schedule to allow us to leverage our leasehold and infrastructure, laying the framework for successful execution in the field and sustainable performance.

### Organization

Establishing cultural changes across an organization is dependent on effective leadership. Our management team has the proven leadership capabilities, experience and knowledge to run a modern natural gas company. An integral component of running a modern natural gas company aligned with our operational strategy is establishing a culture that promotes transparency, inclusiveness, accountability and meritocracy. In an operational model that focuses on being able to respond quickly to internal and external stimuli, a premium is placed on democratizing data and spreading information to those that need it. We call this taking "insight to action," connecting all levels of the organization to ensure that the right information and right ideas translate into the right action by the company regardless of its source.

To facilitate this approach, we began to align our workforce to match frontline needs in 2019. We added proven leaders across the organization, ensured that we have capable staff and balanced the workforce to execute our current goals and future strategies. We instituted a proven, function-based organizational structure by restructuring our departments and roles to ensure accountability and

alignment with our mission, significantly reducing the number of departments within the company and substantially flattening the organizational structure. Reporting lines remain, but our digital work environment — see Technology below — allows for transparency across the entire vertical and horizontal organization of the Company to allow experts' connectivity to the day-to-day decision-making both within their reports and in other departments. And we established and communicated our values of Trust, Teamwork, Heart and Evolution to guide our decision-making and evolve our workforce to become a values-driven organization.

The net result is not only a benefit to the Company, but also a benefit to our employees. The combination of proven leaders, radical transparency, defined alignment and infused technological support is allowing our employees to be engaged, seen, educated, supported and rewarded. Most importantly, it allows our employees to see how their efforts connect to the value creation of EQT.

Read more about our approach to managing our workforce in [Talent Attraction and Retention, Diversity and Inclusion](#).

## Technology

Investing in and using the right tools and technologies increases efficiencies and promotes internal transparency. In 2019, new management supported significant investments in technologies that connect our business, drive sustainable performance and prepare us for the future. This began with establishing our digital work environment for all employees to communicate and collaborate with one another, collect and share data and monitor performance.

Our digital work environment serves as a cloud-based platform for online communication, a means for creating data and insights, and a hub for integrating work processes and outputs. The digital work environment not only eliminates organizational silos, it connects our employees with the data and processes needed to quickly and effectively perform their job function, and ensures that we have a unified and transparent view of operational data that drives decisions.

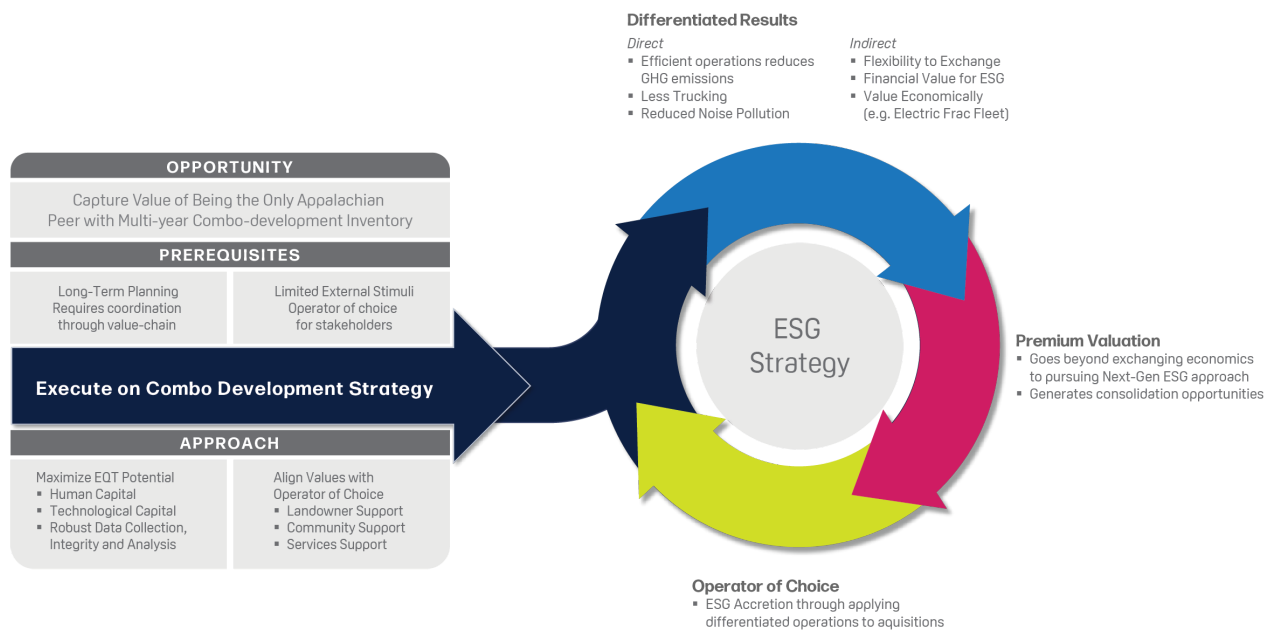
The digital work environment is more than a back-office tool to promote communication. As the foundation of our modern operating model, all of our efforts on the operational front are geared towards connecting data from the field in real time to influence decision-making. For instance, in 2019, we changed our operating practices from a manual check-in of employees and contractors at guard stations on sites to digital tracking and integrated that data into our digital work environment. Having this data at the ready proved pivotal in 2020 with the COVID-19 outbreak, allowing us to create a contact tracing insight in a matter of days that facilitated our rapid notification of potentially impacted personnel within hours of learning of a positive test.

While the benefits of ensuring employee and contractor safety are paramount, the data-creation focus of our organization extends across our operations, allowing us to provide users with the information they need to make smart, responsible decisions as quickly as possible. It also allows us to monitor trends, assess performance and identify areas for improvement and investment in future opportunities.

As a leader in technology in our industry, we actively explore new technologies to continue to leverage our understanding to create value for EQT. Read more about our investments in technology throughout this report and in [Technological Innovation](#).

## ESG STRATEGY UNDERPINS CORPORATE STRATEGY

We began developing an integrated ESG program in 2019 to execute our mission to become the operator of choice for all stakeholders. Core tenets of this strategy are investing in technology and human capital; improving data collection, analysis and reporting; and engaging with stakeholders to understand their needs and expectations and aligning our actions accordingly.



Our long-term transformative plan is designed to promote sustainable value creation by differentiating ourselves from our peers in both operational performance and environmental impact. By leveraging our unique ability to pursue combo-development projects, we believe we will be able to set ourselves apart from our peers, thereby allowing for continued reinvestment into ESG initiatives.

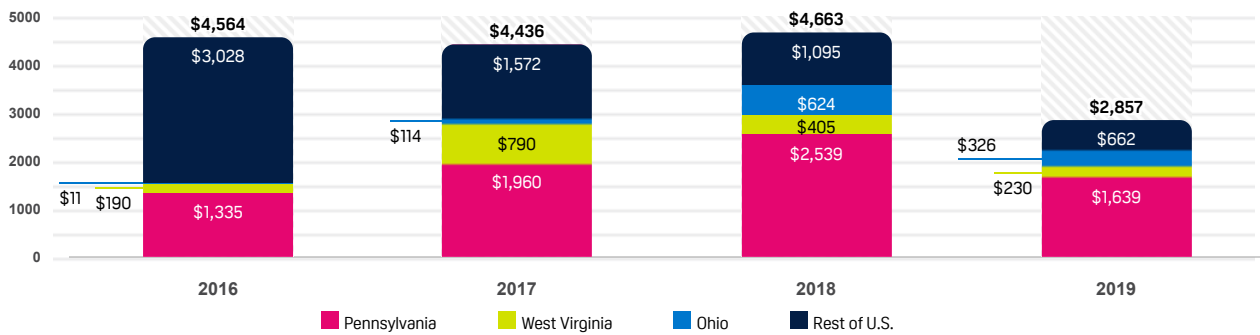
For more information related to ESG governance, see [Corporate Governance](#).

## Our Impact

We track the indirect economic impacts of our business operations on the United States economy by annually commissioning an independent analysis. According to the analysis, EQT provided \$2.9 billion in value-added contributions to the U.S. Gross Domestic Product (GDP) where:

- 77% of contributions occurred in three states where we operate
- 23% of contributions related to out-of-state suppliers who provided goods and services for operational activities in our operating area

EQT GDP Contributions (millions of dollars)



See additional information related to local indirect economic impacts in [Community Impacts and Safety](#).





ABOUT EQT AND THIS REPORT

# CORPORATE PROFILE

## About EQT

102-2, 102-4, 102-5, 102-7, 102-10, 102-45 ▾

EQT Corporation (New York Stock Exchange: EQT) is a leading independent natural gas company with operations focused in the cores of the Marcellus and Utica Shales in the Appalachian Basin. We are dedicated to responsibly developing our world-class asset base and being the operator of choice for all stakeholders. By leveraging a culture that prioritizes operational efficiency, technology and sustainability, we seek to continuously improve the way we produce environmentally responsible, reliable, low-cost energy. We have a longstanding commitment to the safety of our employees, contractors and communities, and to the reduction of our overall environmental footprint. Our values are evident in the way we operate and in how we interact each day — Trust, Teamwork, Heart and Evolution are at the center of everything we do.

Our mission is to realize the full potential of EQT to become the operator of choice for all stakeholders.

For every hour that you have your lights on, that you work on your computer, that you drive an electric car or that you connect with friends and family digitally, we are responsible for one minute of that time. As the largest producer of natural gas in the country, EQT produces the equivalent of approximately 1/60<sup>th</sup> of the energy feedstock of domestic utilities.

At EQT, we are future focused. We are focused on the critical role that natural gas plays in the future energy mix both domestically and abroad. We are focused on minimizing the impact of our operations, reducing our overall environmental footprint and operating safely. We are focused on maintaining a rewarding and collaborative workplace, engaging our landowners and supporting the communities where our employees work and live. And we are focused on testing the boundaries of what is possible in operational performance, leveraging technological and human capital to execute our combo-development strategy, leading to a step-change in operational efficiency.

Our future focus began in July 2019, with the substantial reconstitution of our Board of Directors and senior leadership following our July 2019 annual meeting of shareholders. In the following months, we successfully executed a 100-Day Transformation Plan, a management-led initiative designed to transform EQT into a modern, digitally-enabled natural gas company capable of executing combo-development projects. As a result of our efforts, we have reduced our Pennsylvania Marcellus well costs by approximately 30% and decreased our general and administrative costs by approximately 25% while preserving our core inventory. We reduced our capital expenditures in 2019 by approximately \$966 million, or 35.3% as compared to 2018, while achieving 2019 sales volumes of 1,508 billions of cubic feet equivalent (Bcfe) and average daily sales volumes of 4,131 million cubic feet equivalent (MMcfe), a year-over-year increase of 1.4%, or 4.2% after excluding sales volumes related to certain non-core production and related midstream assets that we sold in 2018.

With 648 employees as of December 31, 2019, we generated 2019 total operating revenues of approximately \$4.4 billion. As of December 31, 2019, we held a 19.9% equity stake in Equitrans Midstream Corporation (New York Stock Exchange: ETRN) (ETRN). Unless otherwise noted, all references to “EQT”, “EQT Corporation”, “we”, “our” or “us” in this report refer collectively to EQT Corporation and its consolidated subsidiaries, and give effect to (i) our acquisition of Rice Energy Inc. on November 13, 2017, and (ii) our spin-off of our former midstream business to ETRN on November 12, 2018.

## RELATED RESOURCE

[2019 Form 10-K](#) →

# Markets and Products

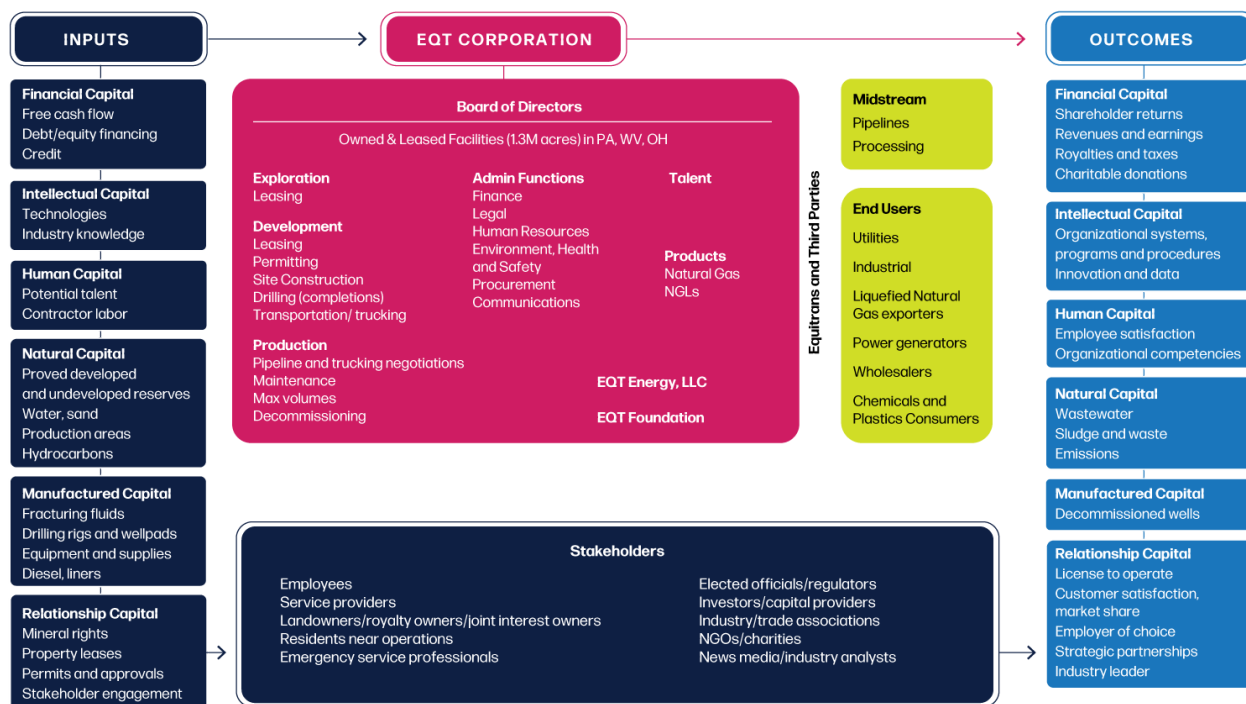
102-6, 102-9

The natural gas supply chain, from discovery to market delivery, is a complex series of activities. For end users to receive natural gas or natural gas-derived products, the resource must first be identified and produced. We have investments within this phase of the value chain, including drilling, completion, pumping and gas field service providers, casings for drilling and information technology products.

EQT produces natural gas and, to a lesser extent, natural gas liquids (NGLs) sold as a commodity to marketers, utilities, power generators and industrial customers in the Appalachian Basin and markets that are accessible through our current transportation portfolio, which includes markets in the Gulf Coast, Midwest and Northeast United States and Canada. We also contract with certain processors to market a portion of NGLs on our behalf.

In 2019, we spent approximately \$1.84 billion with more than 1,700 suppliers. Of our total spend, nearly 45.4% was spent inside of our operational footprint while the remaining 54.6% went to suppliers outside of our operating area. According to PowerAdvocate’s Oil and Gas Upstream model, the upstream oil and gas industry is approximately 30% labor intensive. See [Community Impacts and Safety](#) for additional information.

Our value chain is shown below.



## RESERVES AND PRODUCTION

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The table below shows our 2019 production data. All production information related to natural gas is reported net of the effect of any reduction in natural gas volume resulting from the processing of NGLs.

## 2019 Production<sup>1</sup>

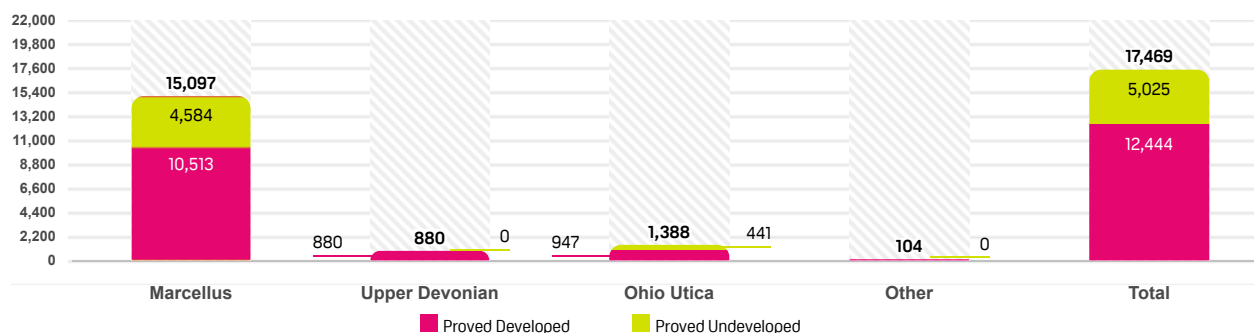
	Pennsylvania	West Virginia	Ohio	Total
Natural gas (MMcf)	1,001,973	202,932	230,230	1,435,134
NGLs (Mbbbl)	0	67,387	443	67,830
Oil (Mbbbl)	0	4,060	872	4,932
<b>Total natural gas, NGLs and oil production (MMcfe)</b>	<b>1,001,973</b>	<b>274,378</b>	<b>231,545</b>	<b>1,507,896</b>
<b>Total natural gas, NGLs and oil production (MBOE)</b>	<b>166,995.5</b>	<b>45,729.67</b>	<b>38,590.83</b>	<b>251,316</b>

In 2019, we produced an average of:

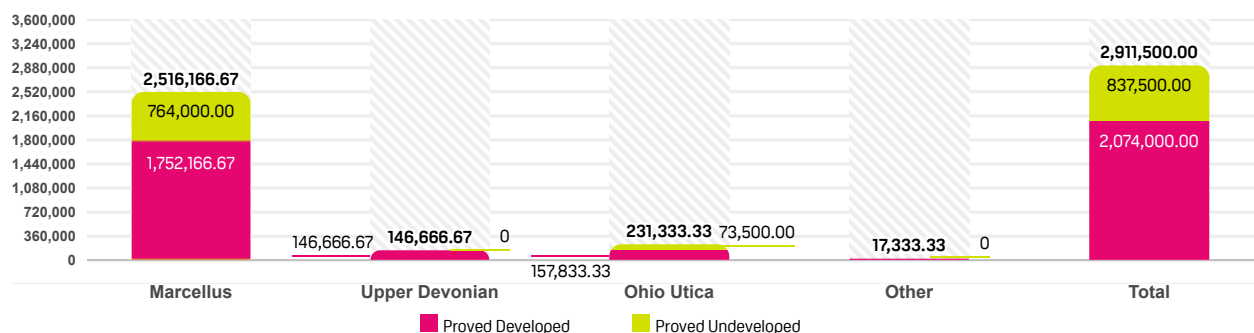
- Natural gas: 3,931.9 MMcf/day
- NGLs: 185.8 Mbbbl/day
- Oil: 13.5 Mbbbl/day

The following charts provide a breakdown of our proved natural gas reserves — the estimated quantity of economically producible natural gas held within the formations where we operate. Our 2019 Form 10-K provides an explanation of how we determine our reserves. As of December 31, 2019, we had 17.5 trillion cubic feet equivalent of proved natural gas, NGLs and crude oil reserves across approximately 1.3 million gross acres, including approximately 1.1 million gross acres in the Marcellus Shale.

### 2019 Proved Reserves (BCFE)



### 2019 Proved Reserves (MBOE)



As a natural gas producer, EQT's production process encompasses both producing and in-process wells, as outlined in the table below.

### 2019 Wells

	Gross	Net
Productive wells — natural gas	3,404	3,181
In-process wells — natural gas	186	178

As of December 31, 2019, we also owned and operated approximately 417 miles of high-pressure gathering lines. We did not have any productive or in-process oil wells in 2019.

<sup>1</sup> In this report, we use a conversion rate of 6MMcf to 1MBOE. Mbbbl = million barrels; MBOE = millions of barrels of oil equivalent; MMcf = million cubic feet; MMcfe = million cubic feet of gas equivalent.



ABOUT EQT AND THIS REPORT

# STAKEHOLDER ENGAGEMENT AND MATERIALITY

## Engaging Stakeholders

102-40, 102-42, 102-43, 102-44

Our mission is to “Realize the full potential of EQT to become the operator of choice for all stakeholders.” By stakeholders, we mean those most interested in, and affected by, our operations — employees, contractors, service providers, landowners, residents of communities near our operations, emergency service professionals, elected officials and regulators, and investors and capital providers, among others.

Stakeholders provide us with valuable feedback from a variety of perspectives. We monitor stakeholder interests specific to us and to the broader natural gas industry, and actively engage with stakeholders as part of our effort to continuously improve.

We believe in maintaining an open and honest dialogue with our stakeholders and, in 2019, renewed our commitment to stakeholder engagement. We provide numerous avenues for our stakeholders to engage with us. Based on our experience and ongoing connections with stakeholders, we have developed specific methods of response designed to meet our stakeholders’ diverse expectations and engagement preferences.

Many of our stakeholders share similar, broad-based concerns about the natural gas industry overall; however, select individual groups may have specific concerns. Our integrated engagement strategies for each stakeholder group are outlined below, with corresponding information about each group’s key concerns. We provide links to our management approach and performance for each topic covered in this report.

For the purposes of this report, we define our workers as follows:

- Employees: Full-time and part-time employees of EQT.
- Contract Workers: Temporary workers assigned to fill a role or complete a specific project.
- Service Providers: Third-party or outsourced providers hired to perform specialized services for EQT.

# Stakeholder Engagement Approaches

Stakeholder	Engagement Approaches	Key Topics and Concerns
<b>Employees</b>	<p>Ongoing:</p> <ul style="list-style-type: none"> <li>▪ Print and electronic communications</li> <li>▪ Employee staff meetings</li> <li>▪ Employee town halls</li> <li>▪ Digital Work Environment (Salesforce)</li> <li>▪ Lunch and learn seminars</li> <li>▪ Volunteer activities</li> <li>▪ Surveys</li> <li>▪ Compliance Network</li> <li>▪ Ethics HelpLine</li> </ul>	<ul style="list-style-type: none"> <li>▪ Occupational Health and Safety</li> <li>▪ Talent Attraction and Retention, Diversity and Inclusion</li> <li>▪ Community Impacts and Safety</li> <li>▪ Ethics and Integrity</li> </ul>
<b>Service Providers</b>	<p>Ongoing:</p> <ul style="list-style-type: none"> <li>▪ Websites</li> <li>▪ Request-for-proposal process</li> <li>▪ Training sessions</li> <li>▪ Safety meetings</li> <li>▪ Trade shows</li> <li>▪ Diversity initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Procurement Practices</li> <li>▪ Financial Performance</li> <li>▪ Local Labor and Supplier Impacts</li> <li>▪ Occupational Health and Safety</li> <li>▪ Supplier Diversity</li> </ul>
<b>Landowners/Royalty Owners/Joint Interest Owners</b>	<p>24/7 communication:</p> <ul style="list-style-type: none"> <li>▪ Owner Relations hotline (844-EQT-LAND or OwnerRelations@eqt.com)</li> <li>▪ <a href="#">Owner Relations web page</a></li> <li>▪ Online owner relations portals for account access</li> </ul> <p>As needed or requested:</p> <ul style="list-style-type: none"> <li>▪ In-person meetings</li> <li>▪ Letters</li> <li>▪ Access to company landmen or land agents</li> <li>▪ Town halls</li> <li>▪ Public meetings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Landowner Relations</li> <li>▪ Community Impacts and Safety</li> <li>▪ Biodiversity and Land Impacts</li> </ul>
<b>Residents Near Operations</b>	<p>24/7 communication:</p> <ul style="list-style-type: none"> <li>▪ Email access to <a href="#">Government and Community Affairs representatives</a></li> <li>▪ Social media platforms                             <ul style="list-style-type: none"> <li>▪ <a href="#">Facebook</a></li> <li>▪ <a href="#">LinkedIn</a></li> <li>▪ <a href="#">Twitter</a></li> </ul> </li> </ul> <p>As needed or requested:</p> <ul style="list-style-type: none"> <li>▪ In-person meetings with EQT Local Government and Community Affairs Specialists</li> <li>▪ Weekly operation updates to townships</li> <li>▪ Facility and rig tours</li> <li>▪ Community meetings</li> <li>▪ Surveys</li> <li>▪ Public safety communications</li> </ul> <p>Ongoing:</p> <ul style="list-style-type: none"> <li>▪ Community relationship building</li> <li>▪ Local natural gas task force involvement at the county level</li> <li>▪ Philanthropic giving programs</li> <li>▪ Presentations to local organizations</li> <li>▪ Sponsorships</li> <li>▪ Advertising</li> </ul>	<ul style="list-style-type: none"> <li>▪ Noise, Dust, Road Impacts, Traffic, Schedule of Operations</li> <li>▪ Water</li> <li>▪ Community Investment</li> <li>▪ Public Safety and Emergency Preparedness</li> </ul>

Stakeholder	Engagement Approaches	Key Topics and Concerns
Emergency Service Professionals	<p>As needed or requested:</p> <ul style="list-style-type: none"> <li>▪ In-person meetings</li> <li>▪ Public meetings</li> <li>▪ Safety outreach</li> <li>▪ Local donations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public Safety and Emergency Preparedness</li> <li>▪ Occupational Health and Safety</li> </ul>
Elected Officials/Regulators	<p>Ongoing:</p> <ul style="list-style-type: none"> <li>▪ Weekly drilling and completion activity location updates</li> <li>▪ Policy discussions</li> <li>▪ Meetings with national and state regulators, local municipal leaders and lobbyists</li> <li>▪ Attending and/or participating in township meetings</li> </ul> <p>As needed or requested:</p> <ul style="list-style-type: none"> <li>▪ In-person meetings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Noise, Dust, Road Impacts, Traffic, Schedule of Operations</li> <li>▪ Air Quality</li> <li>▪ Biodiversity and Land Impacts</li> <li>▪ Technological Innovation</li> <li>▪ Water</li> <li>▪ Public Policy and Perception</li> <li>▪ Indirect Economic Impacts</li> </ul>
Investors/Capital Providers	<p>At least once each quarter:</p> <ul style="list-style-type: none"> <li>▪ Earnings releases</li> <li>▪ Securities and Exchange Commission filings</li> <li>▪ Investor teleconferences and the related replays and transcripts</li> </ul> <p>Annually:</p> <ul style="list-style-type: none"> <li>▪ Proxy statement</li> <li>▪ Shareholder meeting</li> </ul> <p>From time to time, as needed:</p> <ul style="list-style-type: none"> <li>▪ Meetings with investors, banks and insurance companies regarding stakeholder relations, governance and compensation</li> <li>▪ Investor conferences, meetings and calls</li> <li>▪ Responses to inquiries submitted to the Corporate Secretary of EQT via the contact listed on our Investor Relations website</li> </ul> <p>Ongoing:</p> <ul style="list-style-type: none"> <li>▪ Routine updates, presentation postings and news releases to our Investor Relations websites</li> </ul>	<ul style="list-style-type: none"> <li>▪ Financial and Operational Performance</li> <li>▪ Strategic Direction</li> <li>▪ Governance</li> <li>▪ Risk Management</li> <li>▪ Climate and Greenhouse Gas (GHG) Emissions</li> <li>▪ Executive Compensation</li> <li>▪ Operational Performance</li> </ul>
Industry/Trade Associations	<p>Ongoing:</p> <ul style="list-style-type: none"> <li>▪ Chamber of Commerce memberships</li> <li>▪ Membership in trade associations</li> <li>▪ Participation in association leadership</li> </ul>	<ul style="list-style-type: none"> <li>▪ Air Quality</li> <li>▪ Climate and GHG Emissions</li> <li>▪ Community Impacts and Safety</li> <li>▪ Privacy and Data Security</li> <li>▪ Public Policy and Perception</li> </ul>
Non-Governmental Organizations (NGOs)/Charities	<p>As needed or requested:</p> <ul style="list-style-type: none"> <li>▪ Project partnerships</li> <li>▪ Reporting on environmental, economic and social topics</li> <li>▪ Philanthropic giving</li> <li>▪ Environmental assessments</li> <li>▪ In-person meetings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local Communities</li> <li>▪ Water</li> <li>▪ Air Quality</li> <li>▪ Climate and GHG Emissions</li> <li>▪ Effluents and Waste</li> <li>▪ Biodiversity and Land Impacts</li> </ul>

Stakeholder	Engagement Approaches	Key Topics and Concerns
News Media/Industry Analysts	<p>As needed or requested:</p> <ul style="list-style-type: none"> <li>News releases</li> <li>Media statements</li> <li>Website-based Newsroom</li> <li>Phone calls</li> <li>Email correspondence</li> <li>In-person meetings</li> <li>Interviews</li> <li>Speaking engagements by executives and senior managers</li> </ul>	<ul style="list-style-type: none"> <li>Local Communities</li> <li>Air Quality</li> <li>Biodiversity and Land Impacts</li> <li>Water</li> <li>Climate and GHG Emissions</li> <li>Occupational Health and Safety</li> <li>Public Safety and Emergency Preparedness</li> <li>Operational Performance</li> <li>Financial Performance</li> <li>Governance</li> <li>Executive Compensation</li> <li>Leasing</li> <li>Legal</li> </ul>

## Strategic Materiality Assessment

102-46 ∨

We have undergone a significant transformation since the completion of our previous materiality assessment in early 2017. Since that time, we have (i) acquired Rice Energy Inc., making us the largest domestic natural gas producer, (ii) spun-off our former midstream business into Equitrans Midstream Corporation, a standalone publicly traded corporation, and (iii) undergone a substantial reconstitution of our Board of Directors and senior leadership in July 2019. In addition, along with much of the upstream industry, we have transitioned to a “value over volumes” approach, resulting in a flattening of production volumes as compared to the significant volumes growth environment prior to 2018.

Furthermore, our new leadership has established a corporate strategy that places a significant focus on technological and human capital in order to support our operational strategy of pursuing combo-development. In recognition of this significant change, in early 2020, we undertook a strategic materiality assessment to analyze the environmental, social and governance (ESG) topics most important to our operations, internal and external stakeholders, and new management.

Coordinated by Environmental Resources Management (ERM), a leading sustainability consulting firm, this comprehensive process followed the Global Reporting Initiative’s materiality process of Identification, Prioritization and Validation.

### Identification:

- Reflecting EQT’s focus on technological innovation and process efficiencies, ERM used an artificial intelligence software provider, Datamaran, to identify the universe of potentially relevant environmental, social and economic topics applicable to our industry.
- ERM refined this initial list through an interactive value chain impact mapping exercise with 12 EQT subject matter experts representing a cross-section of our business functions, allowing us to define the boundary for each topic.

### Prioritization:

- Interviews with our management team, two members of our Board of Directors and representatives from a key industry association provided evidence of impacts, risks and opportunities.
- Analysis of written internal and external sources supplemented stakeholder interviews to provide additional evidence of priorities for key stakeholders.
- Datamaran’s benchmarking, regulation, news flow and social media modules analyzed thousands of additional inputs to add to our analysis.

### Validation:

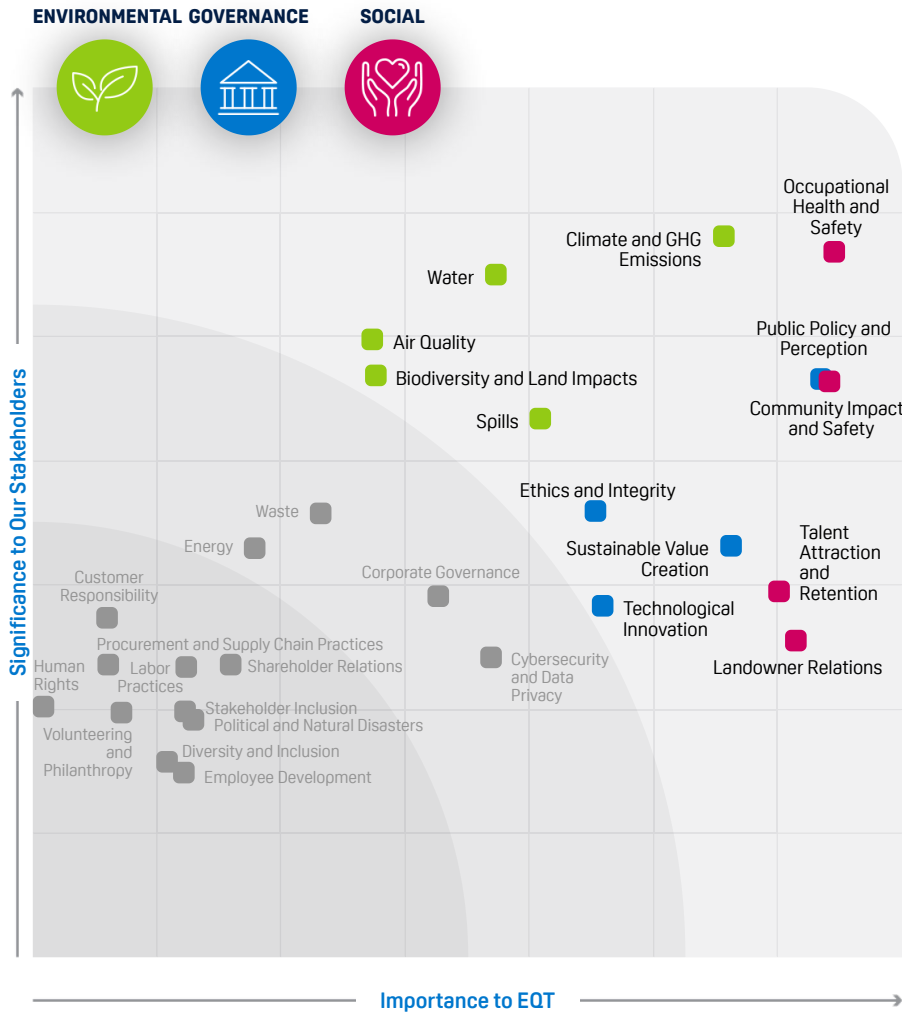
- Our management team validated the results during a three-hour interactive workshop.

## MATERIAL TOPICS

102-47 ∨

We proudly cover our material topics in this report, and are using the findings to inform our organizational strategy and management approaches. We did not use the U.S. Securities and Exchange Commission’s concept of materiality within the context of this report. The infographic below displays the results of our 2020 materiality assessment.

# Materiality Matrix<sup>1</sup>



## Materiality Matrix

### Environmental

#### CLIMATE AND GHG EMISSIONS

**DEFINITION / BOUNDARY**

Addressing and mitigating current and potential climate change impacts on EQT's operations, including regulations on GHG emissions and emission trading, the increasing market demand for renewable energy sources and EQT's own GHG emissions.

**PRIMARY STAKEHOLDERS IMPACTED**

**Internal:**

- Drilling
- Completions
- Production
- Gas field service
- Transportation
- Environmental, Health and Safety (EHS)

**External:**

- Midstream
- End users
- Environment
- Local communities
- Global populations
- Local, state and federal governments
- Emissions trading markets



## WATER

### DEFINITION / BOUNDARY

Minimizing water use and increasing use of recycled water to protect local water sources while preserving water quality through sound wastewater management practices.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Drilling
- Completions
- Production
- EHS

#### External:

- Appalachian Basin watersheds (Pennsylvania, West Virginia, Ohio)
- Landowners
- Local communities
- Commercial disposal facilities (Ohio)
- Local, state and federal governments

## SPILLS

### DEFINITION / BOUNDARY

Preventing spills and leakages into the environment and managing them when they occur, with particular attention paid to harmful substances.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Drilling
- Completions

#### External:

- Water hauling (contractors)
- Local communities
- Appalachian Basin flora and fauna

## BIODIVERSITY AND LAND IMPACTS

### DEFINITION / BOUNDARY

Using land management systems and practices that protect soil quality, biodiversity, forests, animal welfare and habitats, including during reclamation and decommissioning.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Site design
- Development
- Operations
- Decommissioning

#### External:

- Landowners
- Local communities
- Appalachian Basin flora and fauna
- Local, state and federal governments

## AIR QUALITY

### DEFINITION / BOUNDARY

Managing and minimizing non-GHG air emissions (volatile organic compounds, nitrogen oxides, etc.) across EQT's value chain.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Permitting
- Completions turbines
- Compressor stations
- Sites
- Drilling sites

#### External:

- Water hauling (contractors)
- Landowners
- Local communities
- Appalachian Basin flora and fauna
- Local, state and federal governments

# Social

## OCCUPATIONAL HEALTH AND SAFETY

### DEFINITION / BOUNDARY

Ensuring the safety and well-being of all workers by maintaining safe working conditions, supplying personal protective equipment and providing resources to maintain and improve physical and emotional health.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- All employees (especially field operations)

#### External:

- Contractors

## COMMUNITY IMPACTS AND SAFETY

### DEFINITION / BOUNDARY

Managing positive and negative impacts on and relations with the communities in which EQT operates, including traffic and impacts on roads; noise pollution; indirect local economic impacts; public safety and emergency planning; and other specific community concerns. Also includes EQT's financial, educational and other community support.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Site design and construction
- Marcellus and Utica operations
- Decommissioning
- EQT Foundation

#### External:

- Water hauling (contractors)
- Landowners
- Local communities
- Local, state and federal governments
- State and local first responders
- Law enforcement
- Suppliers
- NGOs/charities

## TALENT ATTRACTION AND RETENTION

### DEFINITION / BOUNDARY

Attracting workers with valuable skills, including local talent, and developing strategies for retaining and engaging employees by providing professional development opportunities and technology-enabled work tools, promoting diversity and inclusion, and ensuring workforce changes are communicated effectively.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- All employees

#### External:

- Local labor markets

## LANDOWNER RELATIONS

### DEFINITION / BOUNDARY

Maintaining positive, trusted relationships with landowners through engagement, open communication and maintaining timely reporting channels.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Owner Relations team

#### External:

- Landowners
- Local communities

<sup>1</sup> "Impact Boundary" refers to potential items that may be impacted by a material topic, and EQT's involvement in such impacts.

# Governance

## SUSTAINABLE VALUE CREATION

### DEFINITION / BOUNDARY

Creating long-term value for investors and society by providing access to affordable and reliable domestic energy.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Operations

#### External:

- Natural gas users (industrial, commercial, residential)
- Investors
- Domestic and international economies

## ETHICS AND INTEGRITY

### DEFINITION / BOUNDARY

Ensuring that we preserve our integrity and credibility with our stakeholders by promoting ethical business behavior throughout the value chain, preventing corruption and favoritism, providing mechanisms for stakeholders to report on concerns, and operating in accordance with our values — Trust, Teamwork, Heart and Evolution.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- All employees

#### External:

- Business partners
- Local, state and federal governments

## PUBLIC POLICY AND PERCEPTION

### DEFINITION / BOUNDARY

Thoughtfully engaging in political activity, providing corporate contributions to political candidates and organizations, and contributing to public policy and dialogue that supports the responsible development of natural gas as a resource for addressing domestic and global energy demands and as a tool for enhancing social equity.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- Executive team
- Public Relations team
- Public Policy and Corporate Responsibility Committee

#### External:

- Local, state and federal officials
- Industry/trade associations
- Landowners
- Local communities
- U.S. residents

## TECHNOLOGICAL INNOVATION

### DEFINITION / BOUNDARY

Exploring and implementing technologies and innovative processes to reduce costs, improve safety and environmental performance, enable a digital workplace and support EQT's business strategy.

### PRIMARY STAKEHOLDERS IMPACTED

#### Internal:

- All employees

#### External:

- Appalachian Basin flora and fauna
- Local communities
- Contractors



# ENVIRONMENTAL



## LESSENING OUR ENVIRONMENTAL IMPACT

We strive to operate safely, protect the environment and continuously improve our practices in support of responsible natural gas production. We carefully measure our air emissions and water use while monitoring and mitigating impacts on the air, land and water. Our commitment to environmental protection is embedded in our policies, programs, technological investments, collaborations and leadership.

81%

of our produced water was recycled in 2019



## ENVIRONMENTAL

# CLIMATE AND GHG EMISSIONS

## Why It Matters to Us

103-1 ▾

We recognize that climate change is the preeminent sustainability issue affecting all industries today, and in particular, companies like EQT. While the effects on the planet and economy continue to become more apparent, increased scrutiny on climate change management by stakeholders, in combination with rapidly changing regulations, has brought this topic to the forefront. The impacts of climate change also have the potential to affect us financially. Increased adverse weather events could affect our ability to operate on schedule, impact service providers and increase the difficulty of complying with regulations directed at mitigating weather events, such as run-off restrictions and operations in severe heat. In addition, as investors continue to focus on climate change management and mitigation, our access to capital funding could be impacted if we are unable to articulate and execute our sustainable development strategy. Furthermore, the debate on the makeup of the energy mix of the future has significant environmental, social and economic ramifications for the United States, and will influence the future demand for, and consequently the price of, natural gas. We seek to remain informed on climate change science and we are committed to understanding and proactively responding to the risks and opportunities posed by climate change on our business.

At EQT, we believe that natural gas plays a critical role in the energy mix of the future as we seek to mitigate the impacts of climate change. As a result of the shale revolution, the United States has transitioned from being a net importer to a net exporter of liquefied natural gas (LNG), while at the same time reducing domestic carbon dioxide (CO<sub>2</sub>) emissions to their lowest levels in a generation, principally a result of power plants switching from coal to gas. As we focus on the future, our goal is to maximize the positioning of natural gas through exemplary, responsible operations.

As the largest natural gas producer in the United States, methane emissions are of particular importance to us. While natural gas produces significantly less CO<sub>2</sub> when compared with other fossil fuels — up to 50% less than coal and 20-30% less than oil, according to the [U.S. Energy Information Administration](#) — methane emissions are of particular concern to our stakeholders. The Appalachian Basin has the lowest methane intensity of any oil and natural gas basin in the country, and at EQT, our methane intensity is significantly below the 2025 target set by the [ONE Future Coalition](#), a group of 26 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025. We maintain strong management systems to effectively drive down our emissions and lessen our impact and we maintain and monitor best management practices to minimize greenhouse gas (GHG) emissions while making improvements to reduce our climate impact. However, our new Board of Directors and leadership are pushing us to do more. Within our operations, not only did we transition to a combo-development strategy — which we believe will result in a similar step-change in environmental performance as has been seen in operational efficiency — we recently transitioned to using only electric hydraulic fracturing (frac) fleets in our completions processes. We are pursuing multiple other initiatives to improve our environmental impact and look forward to sharing those in the future.

As an effectively new company given our recent change in leadership and operational strategy, we are not yet at a place where we are able to outline meaningful goals pertaining to our environmental impact. Per above, our methane intensity is significantly below the 2025 goal established by ONE Future. However, our goal is not just to meet standards established by our industry, but rather establish aggressive goals designed to continuously improve our performance. At this stage, we are collecting data to establish the baseline of the new EQT's performance, and we are firmly committed to setting meaningful environmental goals in the future.

For more information about climate-related risks, see pages 17-18 in our [2019 Form 10-K](#).

## What We Are Doing

103-2 

Our Scope 1 (i.e., direct) GHG emissions primarily originate from our operations and fleet transportation. Fuel combustion and natural gas-driven pneumatic equipment are the largest contributors to our Scope 1 GHG emissions, and we therefore dedicate resources to improving these processes and equipment. Our focus on implementing innovative technologies, best management practices and aligned policies over the past several years has directly resulted in decreased methane emissions intensity year over year.

We outline our environmental guidelines and data tracking expectations in our Environmental, Health and Safety (EHS) Management System. While we have not historically tracked Scope 2 (i.e., indirect from purchased energy) or Scope 3 (i.e., other indirect) GHG emissions, we participate in the [ONE Future Coalition](#) (ONE Future), which aims to reduce emissions from the entire natural gas supply chain.

### GOVERNANCE

Our Environmental and Production teams work collaboratively to explore and/or implement new technologies and to collect and report emissions data. Our Vice President, Environmental, Health and Safety, reports GHG emissions and reduction initiatives to the Public Policy and Corporate Responsibility (PPCR) Committee of the Board of Directors at least once each quarter. The PPCR Committee provides comments and feedback on our GHG management and emissions reduction program. In addition, the PPCR Committee discusses EHS issues — which can include air and climate matters — on a regular basis.

Our Environmental, Social and Governance (ESG) Committee, of which our Vice President, Environmental, Health and Safety, is a member, meets biweekly to, among other things, discuss our strategy pertaining to climate change, associated impacts and opportunities to reduce our impact.

### REDUCING METHANE AND OTHER EMISSIONS

SASB EM-EP-110a.3 

Our operational GHG air emissions depend greatly on the type and amount of field activity being conducted at any given time, and vary on an annual basis. We review our Scope 1 GHG emissions inventory on a source-by-source basis to determine areas of opportunity and to monitor our overall impact. We outline our approach for each source below. Our primary emissions reduction activities include:

- Strategic site design
- Leak Detection and Repair Program
- Preventing venting and flaring
- Preventing releases during well unloading
- Using glycol pumps on dehydration units

We regularly review technologies to see if they can cost-effectively reduce our emissions in the short term (read more about this process in [Technological Innovation](#)).

We also actively participate with ONE Future and The Environmental Partnership, both of which seek to improve the oil and gas industry's environmental performance. Utilizing a science-based approach, ONE Future, a collaborative group of natural gas companies, has set a target methane emissions leakage rate for the industry at or below 1% and below 0.28% for the production sector by 2025. We significantly outperform both of the ONE Future methane intensity targets, as shown below.

#### Methane Intensity

	EQT Methane Intensity <sup>[1]</sup>	ONE Future Production Sector Methane Intensity Target
2017	0.15%	
2018	0.06%	0.28%
2019	0.06%	

### RELATED RESOURCE

[ONE Future Coalition](#) 

Through The Environmental Partnership, we collaborate with other oil and gas companies to evaluate best management practices for reducing emissions. Resources provided by The Environmental Partnership include programs designed to reduce methane emissions and volatile organic compounds using proven cost-effective technologies.

## RELATED RESOURCE

[The Environmental Partnership](#) →

EQT’s methane intensity is approximately 78% lower than the 2025 target set by ONE Future for the production sector

## Site Design

We use pneumatic level switches and liquid level controllers to set thresholds and control motor valves for managing fluid in vessels such as separators, scrubbers and contact towers. For example, we operate thousands of pneumatic controllers and level switches that regulate gas/liquid separation volumes or activate shutdowns when high or low liquid levels occur.

Air, natural gas, electricity or other supply media can power pneumatic controllers and level switches. As sufficient compressed air and electricity are difficult to obtain at most production facilities, natural gas is typically used to power the pneumatic devices. The U.S. Environmental Protection Agency (EPA) classifies natural gas pneumatic controllers and level switches into three categories: continuous high-bleed, continuous low-bleed and intermittent bleed. High-bleed pneumatic controllers are significant sources of methane emissions when compared to low or intermittent bleed controllers.<sup>[2]</sup>

Replacement of a high-bleed controller with a low-bleed or intermittent-bleed controller results in a reduction of GHG emissions by 96% and 64% respectively.<sup>[3]</sup> We do not currently operate any high-bleed pneumatic controllers. Approximately 90% of our methane emissions in 2019 were attributable to the operation of our production facilities. We have transitioned to the use of low-bleed and intermittent-bleed pneumatic controllers in our production facilities to reduce our methane emissions and we are currently evaluating new technologies that could further decrease our emission levels in the future.

## Leak Detection and Repair Program

One of the most significant investments we have made to reduce emissions releases has been our investment in Leak Detection and Repair (LDAR) surveys. Going above and beyond compliance with robust state and federal requirements on air emissions, our LDAR program involves:

- Utilization of optical gas imaging (OGI) technology at all compressor stations, dehydration facilities and unconventional sites for conducting LDAR surveys ranging from monthly to annually, depending on the facility;
- An internal team of EQT employees who have completed a three-day training consisting of classroom and onsite experience with OGI experts, certified to operate gas detection cameras;
- Use of three types of OGI cameras, all verified by the manufacturer to meet the EPA’s LDAR requirements under the EPA’s New Source Performance Standards for the Oil and Natural Gas Industry;
- Annual auditory, visual and olfactory (AVO) inspections for each of our conventional wells;
- Quarterly mechanical integrity assessments (MIAs) for our conventional wells in Pennsylvania, and quarterly visits to conventional wells with storage vessels in West Virginia to perform inspections for gas leaks;
- Remote gas detection monitors inside the gas processing units (GPU) of our unconventional wells that monitor for leaks in real time and that automatically alert EQT’s gas control center in order to assign a specialist to conduct an inspection;
- Leak repairs conducted as soon as reasonably possible; and
- Re-surveying of all leak repairs with an OGI camera to confirm that the repair was successful.

Our standard practice exceeds state and federal requirements related to leak repair procedures, and we are upgrading our management system to track leak repairs at our sites. In 2019, no repairs were delayed beyond the applicable regulatory limits, and more than 85% of all leaks detected in production operations were repaired immediately. As such, our LDAR surveys in 2019 enhanced our ability to identify and fix leaks, which has resulted in overall emissions improvements.

## Leak Detection and Repair Metrics<sup>4</sup>

	2018	2019
TOTAL OPTICAL GAS IMAGING SURVEYS	924	977
TOTAL LEAKING COMPONENTS	1,025	1,058

	2018	2019
Components repaired immediately	951	911
Components repaired within 15 days	74	146

## Venting/Flaring Practices

We operate conventional wells, unconventional sites, compressor stations, dehydration facilities and meter sites, and use a [green completions program](#) to reduce our volume of flared-gas. Green completions technology transfers the natural gas at the wellhead to a separator immediately after well completion as opposed to flaring or venting the gas. As a result of our utilization of green completions technology, we did not vent or flare any gas during our completions operations during 2019. To minimize flaring at condensate wells, we utilize varying methods of emissions minimization options including the design of closed-vent systems with low-pressure separators, vapor recovery systems and vapor destruction systems.

During the production phase of a well, our flaring and venting practices differ based on the amount of condensate and oil produced. Generally, the industry considers a “dry gas” site as a site that produces water, methane and ethane but not significant natural gas liquids (NGLs), condensate or oils. A site that consistently produces natural gas in addition to condensate and/or oil is considered a “wet gas” site. Dry gas sites generally have significantly less emissions when compared to wet gas sites and require less emissions control.

We leverage best management practices for the installation of pilot-operated valves and latch-down hatches on closed-vent systems, necessitating the installation of low-pressure separators with vapor recovery systems during periods of high production. The valves, hatches and additional separators have significantly improved sealing, reduced leaks and led us to standardize the installation of latch-down hatches on all new installations. We conduct monthly LDAR inspections on these closed vent systems and condensate sites.

## Well Unloading

As a natural gas well ages, “liquid loading” occurs as liquids — primarily water — accumulate in the wellbore of the well. These liquids create back pressure that restricts or stops the flow of gas. To restore productivity, multiple approaches can be used to unload the fluid from the wellbore; the simplest is to flow the well to a lower pressure environment, such as an atmospheric tank. As part of our ongoing efforts to minimize emissions, we follow guidance from [The Environmental Partnership](#) to reduce methane emissions from well unloading.

If a well only produces through production casing, we install tubing to reduce flow area, allowing the produced gas from the well to efficiently unload the fluid. We install well tubing on an accelerated schedule to limit the amount of venting that occurs from well unloading activities, reducing the amount of methane emissions. We are further able to minimize tank venting by using automated plunger lift equipment in wells with tubing. Where this is not possible, it may be necessary to utilize a swab rig to mechanically remove fluids from a well to restore flow. For unconventional wells, we have personnel on site while unloading wells. Additionally, we follow the industry best practice of installing plunger lifts one to three years into a well’s life. Each of these methods achieves liquid removal without releasing emissions directly into the atmosphere.<sup>[5]</sup>

## Dehydration Units

To reduce methane emissions during production operations, we use glycol pumps rather than natural gas pneumatic pumps on existing dehydration systems to transfer bulk glycol. These pumps only emit gas embedded within the glycol and do not need to be powered by natural gas pressure, resulting in lower methane emissions. Additionally, to further minimize emissions, our standard protocol is to install condensers on new dehydration regenerator still columns. These units condense volatile liquid organics out of the gas and vapor streams collecting marketable NGLs and minimizing odors and emissions. The resulting emissions are sent to a vapor destruction unit.

## Electrifying Our Frac Fleet

As described in [Air Quality](#), we began electrifying our hydraulic fracturing (frac) fleet in late 2019, switching from diesel to onsite natural gas to power a portion of our completions turbines. The implementation of these next-generation electric frac fleets has decreased our consumption of diesel fuel by approximately 16 million gallons, as of October 2020. The electrification of our frac fleet will further decrease our emissions in the future due to the corresponding reduction in vehicle use which would otherwise be needed to deliver diesel fuel to our well pads.

## TRANSPORTATION

We have operations in multiple states, requiring us to rely on trucks and other fleet vehicles for the transportation of workers and materials to job sites. EQT vehicles drive millions of miles annually, and we actively pursue efficient, cleaner-burning alternatives to carbon rich fuels, such as compressed natural gas (CNG), for our vehicles. In 2019, in connection with a focus on centralized development in the core of our operational footprint, we reduced our fleet size by approximately 100 trucks, utilizing newer, fuel-efficient technology-enabled vehicles to further reduce total vehicle miles and associated emissions.





<sup>1</sup> Methane intensity is calculated as methane emitted divided by methane produced.

<sup>2</sup> Source: 40 CFR 98 Subpart W - Table W-1A

<sup>3</sup> Source: [https://www.law.cornell.edu/cfr/text/40/appendix-Table\\_W-1A\\_to\\_subpart\\_W\\_of\\_part\\_98](https://www.law.cornell.edu/cfr/text/40/appendix-Table_W-1A_to_subpart_W_of_part_98)

<sup>4</sup> Metrics only include optical gas imaging survey data.

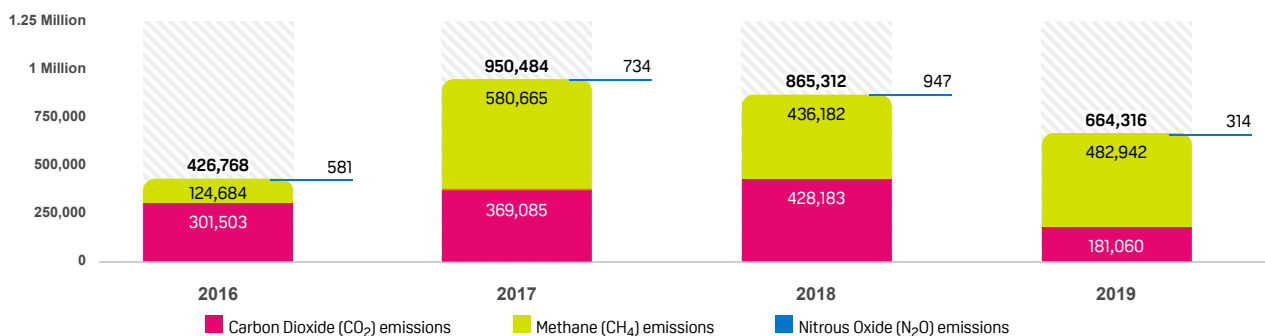
<sup>5</sup> <https://www.ourenergypolicy.org/wp-content/uploads/2014/04/epa-liquids-unloading.pdf>

## How We Are Doing

103-1, SASB EM-EP-110a.1, 305-1, SASB EM-EP-110a.2, 305-4, 305-5 ▾

We monitor and report on air emissions from our operations as required by state and federal regulations. We gather operational data and calculate emissions annually to comply with each state's emissions inventory requirements where we have operations. For sources subject to the [EPA's Greenhouse Gas Reporting Program](#), we submit reports to the EPA, where they are validated electronically. We are not subject to any GHG emissions-limiting regulations, and seek continuous improvement capabilities in areas that provide the most opportunity for GHG reductions.

### Scope 1 GHG Emissions (metric tons CO<sub>2</sub>e)<sup>1</sup>



Although our overall Scope 1 GHG emissions decreased in 2019, our methane emissions (comprising 73% of our total GHG emissions) increased slightly due to a higher number of pneumatic devices in service, a change in gas analysis used to calculate emissions and an increased number of unloading events.

## Scope 1 Emissions Sources (metric tons CO<sub>2</sub>e)<sup>2</sup>

Accounting Metric	2018	2019
Flared hydrocarbons	0	0
Other combustion <sup>[3]</sup>	423,428	165,990
Process emissions <sup>[4]</sup>	23,046	31,523
Other vented emissions <sup>[5]</sup>	389,700	454,636
Fugitive emissions <sup>[6]</sup>	23,200	6,816

## GHG Emissions Intensity<sup>7</sup>

	2015	2016	2017	2018	2019
GHG emissions intensity (metric tons CO <sub>2</sub> e/Bcfe)	755.89	341.25	861.78	582.18	440.56
Methane emissions intensity (metric tons CO <sub>2</sub> e/Bcfe)	263	232	680.42	293	320

<sup>1</sup> EQT is potentially subject to the methodologies for reporting GHG emissions under Subpart C (General Stationary Fuel Combustion) and Subpart W (Petroleum and Natural Gas Systems) of the EPA Greenhouse Gas Reporting Program. Emissions are calculated utilizing EPA guidelines under CFR Part 98. Under this Rule, Hydrofluorocarbons, Perfluorinated chemicals, Sulfur hexafluoride and Nitrogen trifluoride are not expected to be emitted in this sector. We have restated 2018 data based on EPA recommendations.

<sup>2</sup> SASB does not include a category for completions with and without fracturing. In 2019, EQT recorded Scope 1 emissions in these categories of 5,351 metric tons CO<sub>2</sub>e. In 2018, these two categories totaled 6,938 metric tons CO<sub>2</sub>e.

<sup>3</sup> Other combustion includes the generation of electricity and heat, and the production and processing of oil and gas. This would include diesel, gasoline and natural gas combusted in engines or heaters. However, it does not include mobile sources such as fleet vehicles used by EQT personnel. We have restated the 2018 total based on EPA recommendations.

<sup>4</sup> Process emissions originate from EQT's dehydrators, as designed.

<sup>5</sup> Other vented emissions include natural gas-driven pneumatic devices and pumps, well liquid unloading operations, atmospheric tanks and reciprocating compressor venting. We have reinstated the 2018 total to include reciprocating compressor venting.

<sup>6</sup> Fugitive emissions include equipment leak surveys and population count emissions.

<sup>7</sup> These GHG emissions intensities include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O from Scope 1.



ENVIRONMENTAL

# WATER

## Why It Matters to Us

103-1 

Natural gas production requires water to operate sophisticated processes and procedures. Effectively managing our impact on water consumption and quality is critical to safeguarding human and ecological health while maintaining access to the water sources we need to operate. At EQT, we work to uphold high standards of water management to preserve stakeholder trust, minimize our environmental impact and protect our license to operate.

## What We Are Doing

103-2 

We recognize that natural gas development activities are water intensive, and we are dedicated to protecting water resources by operating responsibly. We utilize best-in-class management practices for evaluating water sources, permitting locations, operating withdrawal sites and discharging water. We identify potential risks at each stage of our operations and implement appropriate mitigation measures. Further, we strive to protect the fresh water in our communities by investing in new technology, leveraging industry best practices and reusing water whenever possible. We strongly support transparency and disclose the chemical makeup of our fracturing fluids. In 2019, we focused on improving our data collection capabilities to drive visibility and accountability.

### GOVERNANCE

EQT's Environmental, Health and Safety (EHS) department, led by our Director, Environmental Affairs, is responsible for the oversight and management of all aspects of our environmental footprint, including following water-related procedures and meeting permit requirements. This department reports to the Vice President, Environmental, Health and Safety. Our Completion and Production teams are responsible for overseeing the management of operations, including associated water use. Each quarter, we share environmental progress, including violations, with the Public Policy and Corporate Responsibility Committee of our Board of Directors.

### WATER WITHDRAWALS

303-1 

We operate within the Appalachian Basin, which has a relatively abundant supply of water with low to moderate baseline water stress when compared to [other basins in the United States](#). That said, we understand water is a precious resource and effectively managing any amount of water use is important. Prior to initiating any water withdrawal, we assess the water source to determine a reasonable rate that can be extracted without harming the existing uses supported by the water source and obtain approval from the appropriate regulatory bodies.

During our operations, we strive to minimize the quantity of fresh water used and mindfully select water sources close to our well pads to minimize transportation, and select sources with adequate, sustainable capacity to support our withdrawal without impacting the watershed. Regulatory agencies in Pennsylvania, West Virginia and Ohio issue permits to us for water withdrawal based on the availability and quality of local supplies. We have procedures in place to ensure that we maintain compliance with our water permitting and reporting requirements.

As much as possible, we use our own or third party produced water for our operations to minimize freshwater withdrawals. We use the following definitions:

Water Withdrawn/Water Consumption	Normalized Fresh Water Withdrawn	Recycled Water
The water obtained from sources such as lakes, rivers, reservoirs or municipal spigots/hydrants for immediate use in our operations. We obtain permits for our freshwater sources and adhere to all applicable local, state and federal guidelines. Due to the nature of natural gas extraction, virtually all water we withdraw is used immediately; therefore, 'water withdrawal' and 'water consumption' are synonymous.	The ratio of water withdrawn (in cubic meters or m <sup>3</sup> ) to barrels of oil equivalent per day (BOE) produced.	The water that is recycled for reuse in our operations. This includes flowback, drilling water and produced water collected from drilling operations.

We cooperate with state agencies to obtain permits for each of our water withdrawal sites, which includes a full evaluation of each respective watershed. We adhere to agency recommendations on flow rates and do not exceed the maximum daily allowance to protect the quality and quantity of each source. Surface water withdrawals are taken in accordance with a state-approved water management plan to prevent withdrawal during low-flow conditions. This process also helps ensure there is adequate water available for aquatic species and downstream users. In addition to surface water withdrawal, we obtain water from municipalities in accordance with contracts with local or regional municipal water suppliers. We oversee our contractors' compliance with water withdrawal requirements using a daily review and approval process prior to water withdrawal.

## MONITORING IMPACTS

Well integrity is critical in preventing impacts on water supplies typically found within a few hundred feet of the surface. To protect these shallow aquifers, we drill the section of a well that could potentially contain any fresh water using fresh water, soap and air. After drilling the freshwater section of the well, steel pipes (casings) are cemented in the borehole to protect groundwater and allow production of gas. We perform casing pressure tests and run cement bond logs as required by individual state regulations and submit reports on these tests and logs to the applicable state agency. As of December 31, 2019, we have never had a well integrity failure that resulted in an impact on the environment.

Our water-well protection program includes conducting both pre- and post-drill sampling at landowners' private water supplies. We analyze water supplies — including water wells, springs, ponds and streams — for general water quality constituents as well as metals, dissolved gas, petroleum constituents and, if warranted, bacteriological parameters. We also follow the [Marcellus Shale Coalition's recommendation](#) for pre-drill water supply surveys. We conduct multiple pre-drill samplings for all water sources within 3,000 feet of the site and post-drill sampling for sources within 1,500 feet of the site based on hydrogeological conditions and other factors as necessary to protect domestic water supplies.

We maintain a database of pre- and post-drill results and submit analytical results to the property owner as well as the relevant state environmental agency. We examine every landowner quality or quantity concern that is brought to our attention. In the case of a perceived issue, we immediately conduct a thorough hydrogeologic review and coordinate with the appropriate internal and external stakeholders to address and resolve the issue.

We store both fresh and recycled water in double wall tanks and open impoundments, where permitted. Our impaired water impoundments, located only in West Virginia, are inspected weekly and have leak detection systems. We do not currently have plans to create any new impaired water impoundments. In our other operating areas, we use tanks protected by containment that meet Spill Prevention, Control and Countermeasure best practices to store water produced during production. Containment at all unconventional sites is inspected monthly for adequacy.

To further improve water efficiency, we are in the process of transitioning away from water transportation by truck. Instead, we are working to source all fresh water for our operations from pipelines, which reduces truck traffic, our carbon footprint and air emissions. In cases where water is transported via truck, we are working to increase our visibility of water use by installing water meters on vehicles to improve water management accountability.

## WASTEWATER MANAGEMENT

### 303-2

In addition to adhering to applicable local and federal regulations, we follow best practices for safe wastewater disposal. We frequently evaluate wastewater treatment technologies that could further reduce disposal amounts. For instance, we are exploring the use of evaporation-based treatment technologies to treat wastewater at select locations. These technologies concentrate the waste stream and reduce the amount of wastewater needing disposal.

We also work to recycle the majority of our wastewater after the completion of a well by collecting flowback, drilling and produced water to reuse when fracturing new wells. We also collaborate with local peers to promote the sharing of wastewater for reuse. Throughout the past several years, depending on activity levels, we have historically recycled an average of 90% of the wastewater we generate. In 2019, despite decreased activity levels for the entire industry, thereby reducing demand for produced water, we were still able to recycle 81% of our impaired water. To enhance our recycling capabilities, we began using a third-party storage facility to safely store wastewater until it is ready for reuse. We do not currently use any wastewater for purposes other than hydraulic fracturing.

Any wastewater that cannot be recycled is disposed of at permitted commercial disposal facilities. We typically employ underground injection control wells in Ohio, where formations are most suitable for injection. We conduct routine inspections of these facilities to confirm compliance with operating permits. We constantly explore alternatives to injection for any wastewater we are unable to recycle.

We understand that increased seismic activity due to wastewater disposal can be a concern for stakeholders. Deep-well injection represents an estimated 10% of our total wastewater disposal each year, and Ohio recently upgraded its injection and permitting program to further address potential seismicity risks. Additionally, the overall volumes injected in Ohio are relatively small compared to other states that have experienced seismicity, such as Oklahoma, where the injection is roughly 50 times greater than Ohio.

## Hydraulic Fracturing

### SASB EM-EP-140a.3

Natural gas extraction often involves the process of hydraulic fracturing — the process of injecting fluid into the well to create pressure to crack the underground shale formation and release the natural gas contained in the formation. The fluid injected into the well, referred to as fracturing fluid, is composed of water mixed with sand and a small percentage of chemical additives. To reduce the potential for groundwater impacts, our wells are completed with multiple layers of steel casing and cement through a process known as triple casing, which seals and isolates freshwater zones.

We are proud to be a charter registrant of [FracFocus.org](http://FracFocus.org), an independent website created by the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission to disclose chemicals used during hydraulic fracturing. FracFocus decouples trade names from individual ingredients on the chemical disclosure form by listing all the ingredients without the specific recipe. We publicly disclose via FracFocus all of the chemicals used in our hydraulically fractured wells and regularly update such disclosures.

Additionally, we continuously explore more environmentally friendly alternatives for our fluids. We do not use diesel additives in our fracturing fluid and have continuously worked to optimize and reduce the amount of other chemicals used. Our fracturing fluids are limited to bactericide, friction reducer and minimum concentrations of scale inhibitor when needed.

## How We Are Doing

### 103-3, 303-3, 303-5, SASB EM-EP-140a.1

We maintain dashboards in our digital work environment to monitor our performance against key operational indicators, including environmental incidents. Incorporating our data collection processes into our digital work environment has driven internal transparency and accountability and improved data accuracy. We also leverage a Production Control Center to optimize schedules and monitor our assets in real time, and utilize annual third-party environmental audits for select operating facilities and sites.

We track all water withdrawals by source. In almost all cases, we consume the water we withdraw immediately, and do not store water for long periods of time; therefore our withdrawal and consumption are effectively the same. As shown in the table below, our primary sources of water in 2019 were surface and municipal water. While many of our water storage facilities and pits passively collect rainwater for use in our operations, rainwater continues to have a minimal effect on our water usage. Our freshwater use varies annually for the following reasons:

- The location and seasonal availability of fresh water 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 on an absolute basis for each well, but reduces our overall water needs at a corporate level.

### Water Withdrawal/Consumption<sup>1</sup>

Unit	Metric	2015	2016	2017	2018	2019
thousands of m <sup>3</sup>	Surface water	5,302	1,352	2,361	5,453	1,208
	Groundwater	157	15	60	8	0
	Third-party water (third party and municipal)	1,651	579	961	3,472	6,275

Unit	Metric	2015	2016	2017	2018	2019
	<b>TOTAL FRESH WATER CONSUMED<sup>[2]</sup></b>	<b>7,110</b>	<b>1,946</b>	<b>3,382</b>	<b>8,933</b>	<b>7,483</b>
	Non-Freshwater sources:					
	Produced water <sup>[3]</sup>	1,769	2,059	2,559	5,298	2,672
	Wastewater <sup>[4]</sup>	27	101	172	60	22
	<b>TOTAL NON-FRESH WATER CONSUMED</b>	<b>1,796</b>	<b>2,160</b>	<b>2,731</b>	<b>5,358</b>	<b>2,694</b>
	<b>TOTAL WATER CONSUMED</b>	<b>8,906</b>	<b>4,106</b>	<b>6,113</b>	<b>14,291</b>	<b>10,177</b>
ML/Bcfe Production	Water consumption intensity	11.0	2.5	3.8	6.0	5.0

### 303-4, SASB EM-EP-140a.2, SASB EM-EP-140a.4

We do not intentionally discharge any produced water to surface water, which is why we do not disclose a strategy or standards for relevant disposal and treatment. During 2019, we did not hold any permits to discharge wastewater and there were no occurrences of groundwater or surface water impacts resulting from our hydraulic fracturing operations conducted in targeted formations.

## Produced Water

Unit	Metric	2016	2017	2018	2019
thousands of m <sup>3</sup>	Water discharged to groundwater <sup>[5]</sup>	0	0	0	0
	Water discharged to third-party water <sup>[6]</sup>	138	3	28	830
	<b>TOTAL VOLUME OF PRODUCED WATER</b>	<b>1,690</b>	<b>1,623</b>	<b>3,631</b>	<b>3,460</b>
thousands of m <sup>3</sup> (%)	Amount and % of produced water discharged	0	0	0	0
	Amount and % of produced water injected	194 (11.5%)	240 (14.8%)	269 (7%)	659 (19%)
	Amount and % of produced water recycled	1,497 (88.5%)	1,383 (85.2%)	3,362 (93%)	2,801 (81%)
metric tons	Volume of hydrocarbons discharged to the environment via water	0	0	0	0

<sup>1</sup> Due to the nature of natural gas extraction, virtually all water we withdraw is used immediately; therefore, 'water withdrawal' and 'water consumption' are synonymous. EQT does not withdraw sea water.

<sup>2</sup> Please note, EQT operates primarily within areas with very low to low Baseline Water Stress (<20%) and very low risk to Water Depletion (Water Risk Filter). Some wells operated by EQT within Tioga County, Pennsylvania have medium Baseline Water Stress.

<sup>3</sup> Includes all impaired water (produced, flowback, drilling, containment and cellar water).

<sup>4</sup> Includes recycled water from other Operators.

<sup>5</sup> 2019 discharge figures were calculated using exact and estimated volumes: West Virginia is not required to track discharge; therefore, West Virginia volumes were estimated based on average discharge rate/day.

<sup>6</sup> Includes water discharges sent to recycling facilities.



## ENVIRONMENTAL

# SPILLS

## Why It Matters to Us

103-1 ▾

In addition to impacting the environment, spills can adversely impact our landowner partners and lead to environmental fines, remediation costs, operational delays and reputational risk. We recognize stakeholder concerns regarding the substances involved in a spill, and work hard to avoid spills and mitigate the potential impacts on human and environmental health when a spill occurs.

## What We Are Doing

103-2 ▾

We are committed to preventing spills to protect people, the environment and our business. We take our approach to managing spills seriously by seeking to meet or exceed all local, state and federal policies. If a spill does occur, we seek to ensure a timely and effective response. We outline all expectations related to spills to our employees in our Environmental, Health and Safety (EHS) Management System, and our Contractor Environmental Handbook shares our expectations with contractors.

### GOVERNANCE

Our Environmental Operations Compliance team oversees our compliance, spill prevention and response activities, reporting to our Director, Environmental Affairs. A member of this team and two backup individuals are available at all times to receive calls in the event of a spill. All large-scale incidents are reported to our Vice President, Environmental, Health and Safety and our Chief Executive Officer. Our Vice President, Environmental, Health and Safety reports information on spills to our Public Policy and Corporate Responsibility Committee on a quarterly basis and to our Environmental, Social and Governance (ESG) Committee on a periodic basis.

### SPILL PREVENTION

To reduce the likelihood and impact of significant spills, we maintain Spill Prevention, Control and Countermeasure (SPCC) plans for every worksite that stores fluid. These comprehensive plans, based on regulation established by the U.S. Environmental Protection Agency (EPA), guide our employees and contractors to minimize the chance for a release and dictate the actions required should a spill occur. The plans define training programs, inspection protocols, secondary containment monitoring and repair programs required at each of our natural gas wells and compressor stations.

We deploy targeted strategies at each stage of our operations to prevent spills. We implement measures to monitor the risk of a spill and detect potential equipment failures, including installing pressure sensors and conducting onsite inspections. We pay special attention to managing wastewater from our operations during production. For example, we require pad drains to be closed during operations to prevent

substances from leaving the site. Water collected from the pad drains is tested to ensure we meet applicable water quality requirements before it is released back into the environment. The completion phase of our operations represents the biggest risk for potential leaks due to the large volume of water on site. To appropriately manage these risks, we deploy ongoing monitoring activities and utilize specialized spill containment and leak prevention equipment to reduce the risk of groundwater contamination.

At EQT, we hold our employees and contractors to high standards for spill performance. We want everyone working on our behalf to take spill prevention seriously. To that end, we continuously work to improve the training we provide related to managing spills. In 2019, we rolled out our FOCUS program, geared toward promoting an overall culture of safety — including spill prevention — through family, obligation, communication, understanding and support. We designed and implemented a FOCUS training related to safe water hauling in 2019 that more than 800 EQT contractors and employees completed. For additional details, see [Occupational Health and Safety](#).

## SPILL RESPONSE

When a spill is reported, we request photos and videos to immediately determine the magnitude of the spill so our Remediation team can further investigate the incident and determine an appropriate response. We strive to achieve a two-hour response time from our professional remediation company, regardless of the spill size.

In the event of a spill, we use appropriate cleanup techniques to mitigate the spill's effects, including removal of effluents from soil. We promptly remove and dispose of cleanup materials according to prevailing federal, state and local regulatory requirements, thereby minimizing the impact on the environment and local community. We then evaluate the cause of the spill to identify and implement corrective action. We work to prevent repeat accidents by integrating improved techniques and protocols into design standards, operations and future spill prevention plans. We share these with employees and contractors to continuously improve our operations.

Our emergency response and preparedness program requires the following actions in the event of an incident:

- 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 (we do not use chemical dispersants).
- Report the spill through our Emergency Hotline, which notifies the relevant Environmental Coordinator to determine appropriate remediation actions.
- Perform, or observe, proper cleanup measures as directed by the Environmental Coordinator.

As part of our company policy, we hire professional service contractors to manage all spills associated with our operations. Our Contractor Environmental Handbook describes our formal spill prevention and mitigation expectations, including guidance on utilizing and maintaining secondary containment to prevent spills, regularly inspecting equipment, reporting all spills to our Emergency Dispatch Center and using a spill kit. We also follow up with contractors involved in a spill to better understand the incident and discuss our expectations. During quarterly meetings with EQT contractors, we provide examples of real-life incidents to help prevent future spills.

# How We Are Doing

103-3, 306-3, SASB EM-EP-160a.2 

We continually work to improve our process for managing spills. Members of our EHS team perform proactive environmental inspections and hazard hunts on all of our well sites on a periodic basis. Our EHS team performed 1,440 proactive environmental inspections and 789 proactive hazard hunts in 2019. We also implemented a new process to enhance our response to spills by creating a dedicated spill report in our digital work environment to notify appropriate personnel of a spill. Our professional remediation contractors also have access to the report, enabling them to upload status updates and appropriate documentation into one centralized system. This process allows for more cohesive tracking and reporting of spills.

We also host a quarterly roundtable to discuss a broad set of topics, including spill performance. We invite our peers in the Marcellus Basin to participate in the roundtable events, which allows us to discuss key topics such as equipment failures and process improvements.

In 2019, while our number of spills remained roughly in line with 2018, spills in excess of one barrel decreased by over 50%. A majority of the spills were unintended releases of produced water, most of which occurred as a result of either equipment failure (e.g., frozen lines, tank arm failures and corrosion) or behavioral issues (e.g., preventable water truck accidents, not following proper procedures and communication issues). We took prompt action to remediate these spills as needed and, to address spills due to behavioral issues, we met with employees and contractors to discuss recent spills and provided additional training. For two spills that met our significance standard in classification, we performed root cause analyses that resulted in the implementation of new company-wide procedures and installation of new equipment to prevent future releases.



We do not operate in the Arctic and, therefore, no spills impacted the Arctic or shorelines with [Environmentally Sensitive Index \(ESI\)](#) rankings 8-10.

### Reportable Spills Resulting in a Release<sup>1</sup>

	2018		2019	
	#	BOE	#	BOE
Hydrocarbon release >1 BBL (1 BOE)	11	174.80	4	64.5
Nonhydrocarbon releases >1BBL (1 BOE)	14	227.60	8	58.5
Total spills resulting in release >1BBL (1 BOE)	25	402.40	12	123.0
Total hydrocarbon spills	26	179.60	13	67.95
Total non-hydrocarbon spills	37	235.84	57	131.35
<b>TOTAL SPILLS RESULTING IN RELEASE</b>	<b>63</b>	<b>415.44</b>	<b>70</b>	<b>199.30</b>

<sup>1</sup>Includes reportable spills and volumes outside containment; this volume excludes a 15,000 bbl municipal water spill released from a water source that is not among our assets. The Department of Environmental Protection absolved EQT of any wrong-doing in connection with such spill (OSR-16422). 2019 data excludes 600 bbl of a spill that that was contained, but includes the remaining amount that was released.



ENVIRONMENTAL

# BIODIVERSITY AND LAND IMPACTS

## Why It Matters to Us

103-1 ▾

At EQT, we recognize the important role land plays in our daily activities, as we owned or leased approximately 1.3 million gross acres primarily in Pennsylvania, West Virginia and Ohio in 2019. The potential impact of natural gas operations on biodiversity, habitats and land are highly regulated and a primary focus for local communities, landowners and many industry associations. Ensuring our operations — including site design, development, operation and decommissioning — do not negatively impact the surrounding landscape and local biodiversity is critical to building trusting relationships with our valued stakeholders and aligns with our commitment to environmental stewardship.

## What We Are Doing

103-2, 304-1, 304-2 ▾

Our daily operations inevitably alter the land to some degree. Therefore, we focus our efforts on mitigating, avoiding and monitoring any impacts on the land and wildlife where we operate throughout the lifecycle of a site. We seek to avoid or minimize impacts by proactively addressing any issues identified during the permitting phase. As a member of the [Marcellus Shale Coalition](#), we participate in working groups that focus on site planning, development, restoration and other topics that foster land protection. Our Permitting and Civil group works closely with our Environmental team through the permitting, monitoring and decommissioning of sites. We outline our guidelines in our comprehensive Environmental, Health and Safety Management System.

We do not conduct surface operations on legally protected lands such as federally designated wetlands, federal lands and national parks. We follow federal, state and local regulations regarding species and habitat protection during operational activity near protected lands or areas of high biodiversity. In 2019, we owned or leased approximately 1,029 square kilometers (km<sup>2</sup>) of active acreage in legally protected areas.

### 2019 Leased or Owned Acreage in Protected Areas<sup>1</sup>

	Wetlands (km <sup>2</sup> )	Federal Land and Parks (km <sup>2</sup> )
Kentucky	56.9	412.2
Ohio	10.4	1.3
Pennsylvania	39.8	128.2

	Wetlands (km <sup>2</sup> )	Federal Land and Parks (km <sup>2</sup> )
Virginia	11.3	167.6
West Virginia	61.0	320.1
<b>TOTAL</b>	<b>179.4</b>	<b>1,029.4</b>

## SURVEYS AND PERMITTING

Prior to any development, we assess all of our operating sites for biodiversity risks, including those related to wetlands, ground stability, drainage systems and endangered species. We leverage a third-party surveying and mapping team to assess the site and create a wetland delineation report. We conduct geotechnical surveys to develop construction plans that minimize the risk of slope failure and utilize soils investigation surveys to confirm that our operations will not strain storm water systems or contribute to flooding. These surveys ensure that we can safely move forward with construction without significantly impacting the land.

Bats, snakes, mussels and plants are the most common endangered species found within our operating areas. Prior to commencing operations in any area, we conduct studies in coordination with the U.S. Fish and Wildlife Service and state wildlife resource agencies to determine whether threatened or endangered species exist in the region. If identified, we postpone development until appropriate mitigation activities, in consultation with a biologist, are completed. We also use various domestic environmental registries to identify potential impacts to threatened, endangered and special concern species or resources near possible areas of operation. We make it a priority to avoid disturbing these species and habitats; if this is not possible, we work with appropriate federal and state agencies to develop and execute protection plans. Such plans can include implementation of artificial structures, such as bat boxes and artificial bark, and species relocation, if required.

## RELATED RESOURCE

[EQT Production](#) →



## ONGOING MONITORING OF ACTIVE SITES

**SASB EM-EP-160a.1** ▾

Once a site is in development, we continuously monitor for biodiversity and land impacts. We maintain site-specific environmental management plans in alignment with the most stringent local regulatory requirements, often applying standards exceeding those required by law. Our plans include a Spill Prevention, Control, and Countermeasure Plan (see [Spills](#) for more information), groundwater protection plans and other topics as applicable to the locale. These plans detail the necessary site-specific actions to be taken in the event of an incident. For sites where endangered species have been identified and relocated, we continue to monitor species' health in their new

environment for up to two years. We also leverage a third party for monthly site inspections, where they document the condition of the site and note any stabilization issues, spills or site damage. Identified issues are reported to our Permitting and Civil team, which sends a maintenance crew to address the issue on a priority schedule based on criticality. Our Permitting and Civil team also coordinates with our Environmental and/or Safety teams depending on the nature of the issue. In 2020, we plan to automate the process for reporting issues through our digital work environment, which will automatically notify the relevant response teams.

## DECOMMISSIONING AND INACTIVE SITES

Once site operations are complete, we work with property owners to restore their land — as closely as possible — to its original condition. We reestablish contours and revegetate with state-approved seed mixes, native seed mixes and/or vegetation requested by landowners. We also commonly accommodate agency requests to use specialized seed mixes (e.g., pollinator mixes) and landowner requests for topsoil segregation. These techniques support local flora and fauna by allowing wildlife movement, restoration of the habitat and prevention of invasive species. We work with landowners to successfully accommodate their preference for returning their land to its pre-construction condition all while meeting the regulatory requirements set forth by state and federal agencies. We continue to monitor the site until the Department of Environmental Protection (DEP) determines that we have met their requirements. This enables us to maintain positive relationships with landowners and communities and support biodiversity and habitat protection.

<sup>1</sup> EQT uses U.S. Fish & Wildlife Service and U.S. Geological Survey data to identify protected wetlands and land areas of high biodiversity.

# How We Are Doing

103-3, 304-3, 304-4, SASB EM-EP-160a.3 v

We aim to prevent significant incidents by maintaining best management practices for assessing, monitoring and mitigating potential or actual impacts on biodiversity and land. Failing to do so can result in environmental violations, which we track closely to monitor our performance. We measure our notice of violation (NOV) rate as it applies to violations specific to earth disturbance, as a significant violation could prevent our future access to permits. In 2019, we received 25 NOVs associated with biodiversity and land.

We also carefully track any impacts on biodiversity and habitats. We did not conduct surface operations on any land classified as a protected area or area of high biodiversity value in 2019, but rather leveraged our horizontal drilling technology to extract resources from beneath these areas. All of our development sites in Ohio require special coordination to minimize the disturbance of the Indiana Bat population which is native to the area. In that regard, we made accommodations during tree clearing on one of our Ohio sites developed in 2019 to avoid the roosting season of the Indiana Bat. Additionally, one of our sites in Pennsylvania was near the habitat of a freshwater mussel, the Wabash Pigtoe, which is designated as a Special Concern Species. All of the recommendations made by the Pennsylvania Fish and Boat Commission were instituted in our development of the site.

## 2019 Proved and Probable Reserves in or Near Protected Areas

	2019
Percentage of proved reserves in or near sites with protected conservation status or endangered species habitat	19%
Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat	65%

In addition, we closely track any identified threatened and endangered species within our core operating area. Ten endangered species and three threatened species occupy habitats within our core operating area, covering Pennsylvania, West Virginia and Ohio. The Migratory Bird Treaty Act protects at least 25 different species that use EQT’s core operating area as either breeding grounds or seasonal habitat. Additionally, the Bald and Golden Eagle Protection Act protects Bald and Golden Eagles, which nest in the area. The following table summarizes the species of concern located within our core operating area.

## 2019 U.S. Fish and Wildlife Service Threatened and Endangered Species – Core Operating Area

	Animal	Plant
Endangered	<ul style="list-style-type: none"> <li>▪ Indiana Bat</li> <li>▪ Clubshell</li> <li>▪ Fanshell</li> <li>▪ Northern Riffleshell</li> <li>▪ Pink Mucket</li> <li>▪ Rayed Bean</li> <li>▪ Sheepnose Mussel</li> <li>▪ Snuffbox Mussel</li> </ul>	<ul style="list-style-type: none"> <li>▪ Northern Bulrush</li> <li>▪ Running Buffalo Clover</li> </ul>

	Animal	Plant
Threatened	<ul style="list-style-type: none"> <li>■ Northern Long-eared Bat</li> <li>■ Eastern Massasauga</li> <li>■ Rabbitsfoot</li> </ul>	
Bald and Golden Eagle Protection Act	<ul style="list-style-type: none"> <li>■ Bald Eagle</li> <li>■ Golden Eagle</li> </ul>	

## LOOKING AHEAD

We continuously work to improve our biodiversity and land protection processes in alignment with regulatory requirements and industry best practices. In 2020, our Civil and Permitting team plans to establish a benchmark to better understand how quickly we address and solve issues identified by monitoring crews. The team will use the data to better define priority levels and identify solutions that enable our maintenance teams to respond to issues more efficiently.

We are also exploring additional opportunities to minimize our land impact. As described in [Water](#), we are connecting more sites with water pipelines, allowing us to eliminate unnecessary water impoundments and reduce road traffic from water hauling. In 2019, we also began investing in combo-development. As a result of the enhanced planning associated with combo-development, we anticipate that we will be able to achieve our production volume target with fewer sites. Combined with maximizing lateral footage of our wells (horizontal drilling), we can further reduce our impact on land. For every site we eliminate, we estimate that we will prevent 40-50 acres of tree-clearing and grading, as well as reduce associated road impacts.

As we continue exploring and implementing new technologies and processes across the business, our commitment to environmental stewardship will remain a key influence and motivator.



## The Clemente Tree Story

In 2016, EQT began engaging a landowner in Greene County, Pennsylvania to avoid impacts and address concerns prior to developing a site on their property. We applied for an Erosion and Sediment Control General permit in September 2018 and it was issued in June 2019. Between the time of the permit application and issuance, a new owner was in the process of acquiring the property. When we brought up the site for discussion at the local Zoning Hearing, there was an outpouring of community support to protect a large, nearly 350-year-old White Oak tree located in the middle of a planned stormwater management facility. With the cooperation of our Department of Environmental Protection (DEP) reviewer, and some changes to the pad's access road, we were able to stay within the bounds of our permit while also protecting the health of the tree. This tree is now one of three trees registered in Greene County as part of the [PA Champion Trees program](#). This tree, the largest of the three registered, boasts a trunk circumference of 219 inches and is approximately 80 feet tall with a spread of 106 feet, scoring 324 points.



## ENVIRONMENTAL

# AIR QUALITY

## Why It Matters to Us

103-1 ▾

Air emissions associated with our fleet, on-site equipment and other aspects of our operations can affect local air quality. We carefully track and monitor our local air emissions and sources to capitalize on innovative opportunities to improve our systems and processes. We work with regulators, communities and other stakeholders to lessen our impact and reduce local air emissions. Our strong record of environmental compliance and positive reputation may facilitate future permitting processes.

For information related to greenhouse gas (GHG) emissions, see [Climate and GHG Emissions](#).

## What We Are Doing

103-2 ▾

We monitor operational air emissions in compliance with relevant state and federal regulations. We use this data to inform the continuous improvement of our processes and procedures. Individual permits tend to require activity and emission data tracking, and, in some cases, our historical data inventories date back to 1991. Across our operations, we continue to implement new and improved technologies that lead to more efficient processes and reduce local air emissions.

### GOVERNANCE

Our Environmental department, led by our Director, Environmental Affairs, is responsible for the oversight and management of all aspects of our environmental footprint. This department reports to the Vice President, Environmental, Health and Safety and is ultimately guided by the Public Policy and Corporate Responsibility (PPCR) Committee of the Board of Directors as well as the Environmental, Social and Governance (ESG) Committee. The Air Quality team, within the Environmental, Health and Safety (EHS) department, is responsible for air quality permitting, compliance and reporting. The PPCR Committee receives quarterly reports on environmental progress such as emission reports, notices of violations and obtained permits.

## PERMITS AND MONITORING

Prior to construction or operation at a new wellsite location, we may be required to obtain air quality and other operational permits. When we receive a new permit, our Operations group reviews the permit to identify any future compliance responsibilities. We communicate permit requirements to our field workers, who collect and upload data into our Work Management System. We track emissions, obligations, limits and other air quality requirements in the Environmental Management System. We review the Environmental Management System monthly and identify improved processes for tracking and inputting information. We are planning to transition to a new air emissions tracking platform in 2020 that will enable anyone at EQT to view or pull this data from a centralized location.

## ELECTRIFYING OUR FRAC FLEET

In alignment with our unyielding focus on decreasing completion costs and improving efficiencies while minimizing environmental impact, we decided to begin electrifying our hydraulic fracturing (frac) fleet in late 2019 by using onsite natural gas to power a portion of our completions operations. Rather than relying on diesel deliveries to a wellsite to power our frac fleets, we will be able to reduce local air emissions, decrease our carbon footprint, reduce trucks on the road and capture proven operational efficiencies. We signed a long-term agreement with U.S. Well Services in April 2020 to provide electric hydraulic fracturing services. We look forward to reporting on increased efficiencies as a result of these actions.

# How We Are Doing

103-3 ▾

## AUDITS AND REPORTING

We utilize inspections and audits to review compliance obligations and improve our operations. Our Corporate Audit group periodically selects internal programs or processes to audit. In reviewing findings, lessons learned can be applied to similar facilities via a Plan-Do-Check-Act cycle of continuous improvement.

Where required, we submit emissions reports and, in some cases, permit compliance certifications, to applicable regulatory authorities. The reporting requirements vary by state. We submit reports to the U.S. Environmental Protection Agency, and *de minimis* thresholds for relevant emissions in some states.



## INSPECTIONS AND BENCHMARKING

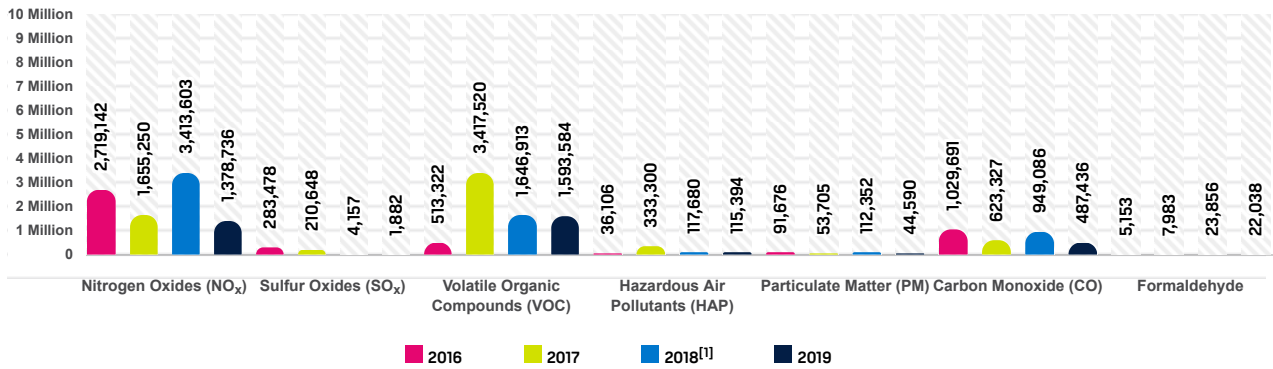
305-7, SASB EM-EP-120a.1 ▾

Our compliance personnel regularly inspect work site locations to evaluate air quality compliance. They also meet with state regulators to ensure we are aligned with state air quality regulations. We participate in a network of industry and regulatory groups to stay abreast of emerging regulations. Our Environmental group also conducts internal inspections on our facilities and sites and field personnel perform periodic leak detection and repair inspections, as described in Climate and GHG Emissions.

We benchmark our air emissions against our peers to identify potential improvement areas and evaluate our primary sources of internal emissions across our operating regions. In areas of success, we consult with state regulators and share best practices.

We aim for 100% facility compliance with all permit requirements and emissions limitations, and we review any operational incidents and notices of violation. We utilize stack test data, manufacturers' data and published emissions factors to calculate our air emissions.

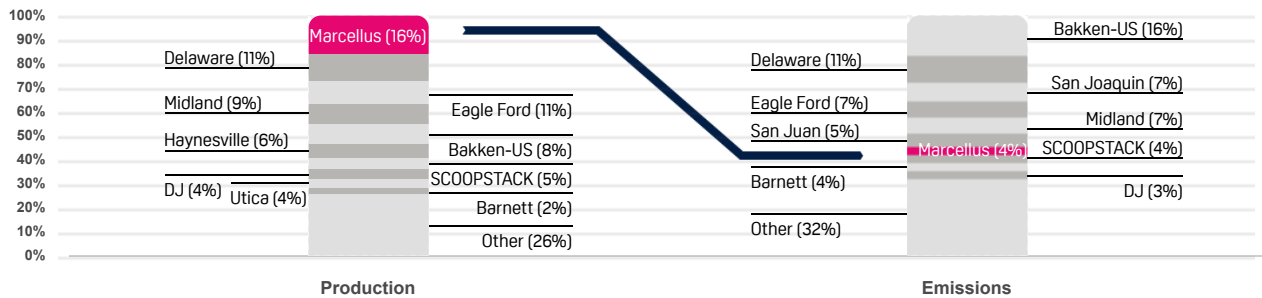
### Significant Air Emissions (kilograms)



### Air Emissions Intensities by Business (tons/BCFE)

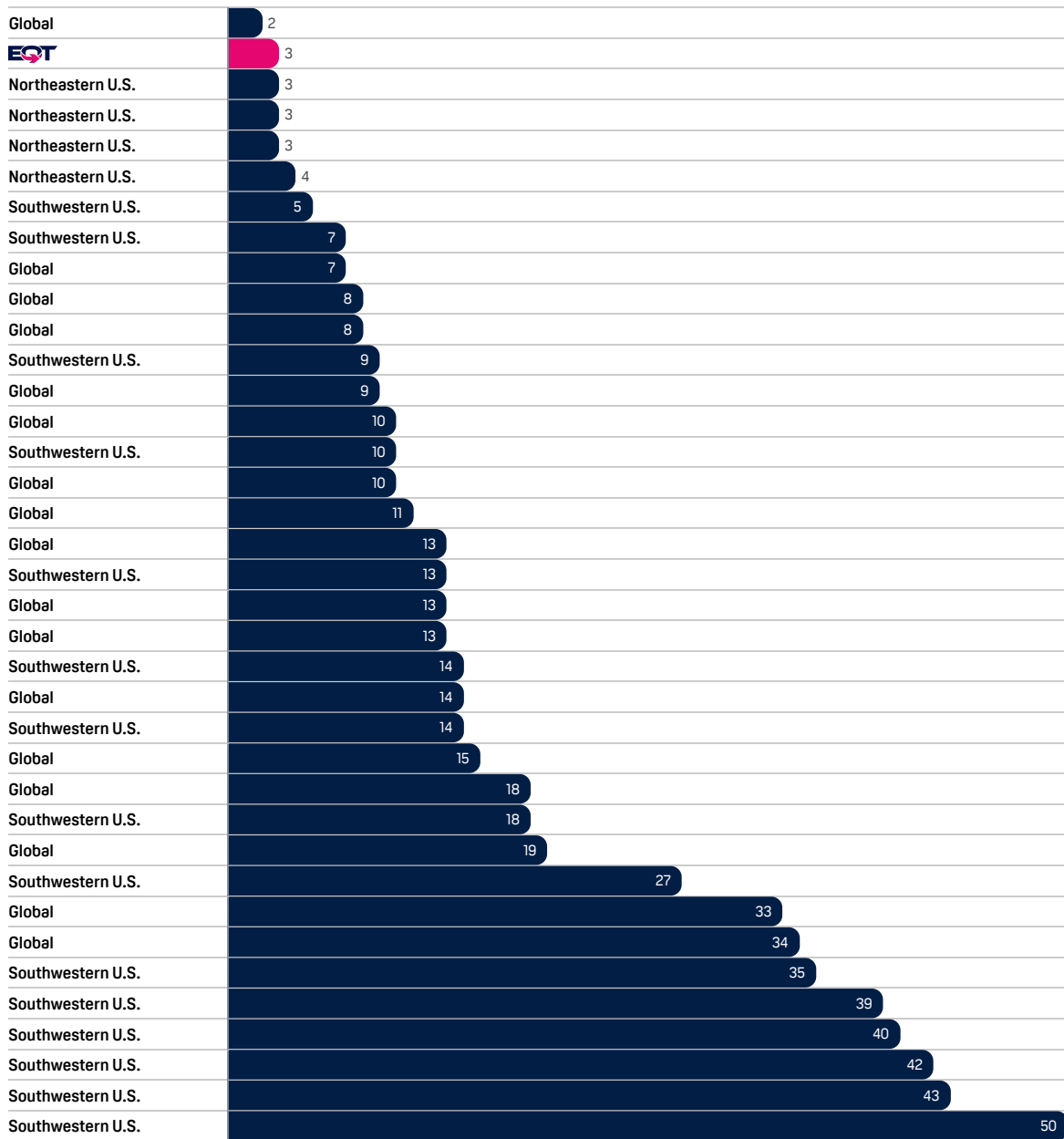
Metric	2016	2017	2018 <sup>[1]</sup>	2019
Nitrogen oxides (NO <sub>x</sub> )	3.95	2.23	2.53	1.01
Sulfur oxides (SO <sub>2</sub> )	0.41	0.28	0.00	0.00
Volatile organic compounds (VOC)	0.75	4.61	1.22	1.16
Hazardous air pollutants (HAP)	0.05	0.45	0.09	0.08
Particulate matter (PM)	0.13	0.07	0.08	0.03
Carbon monoxide (CO)	1.50	0.84	0.70	0.36
Formaldehyde	0.01	0.01	0.02	0.02

### Top 10 Production and Emissions Breakdown by Play in 2018<sup>2</sup>





2018 Upstream Emissions Intensity by Anonymized Oil and Gas Producer (kg CO<sub>2</sub>e/boe)<sup>2,3</sup>



<sup>1</sup> 2018 emissions data have been restated to reflect corrections in our calculations made to 2018 reporting.

<sup>2</sup> Source: RS Energy Group, a part of Enverus.

<sup>3</sup> We anonymized global oil and gas producers by categorizing companies by their primary operating area. "Southwestern U.S." refers to companies primarily operating in the following U.S. regions: Western Rockies, Mid-Continent, Permian, Gulf Coast, Alaska and Western United States. "Northeastern U.S." refers to companies primarily operating in the Eastern United States. "Global" refers to companies operating in multiple countries.



# SOCIAL



## SUPPORTING OUR WORKERS, COMMUNITIES AND LANDOWNERS

Our continued success is contingent on ensuring the safety, well-being and development of our employees and contractors while maintaining proactive, transparent relationships with the communities in which we work and the landowners whose cooperation is imperative to our business. We place the highest priority on the safety of our stakeholders, and aim to create a work environment that provides our talent with the tools and growth opportunities they need for success.

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# 0

worker fatalities in 2019

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SOCIAL

# OCCUPATIONAL HEALTH AND SAFETY

## Why It Matters to Us

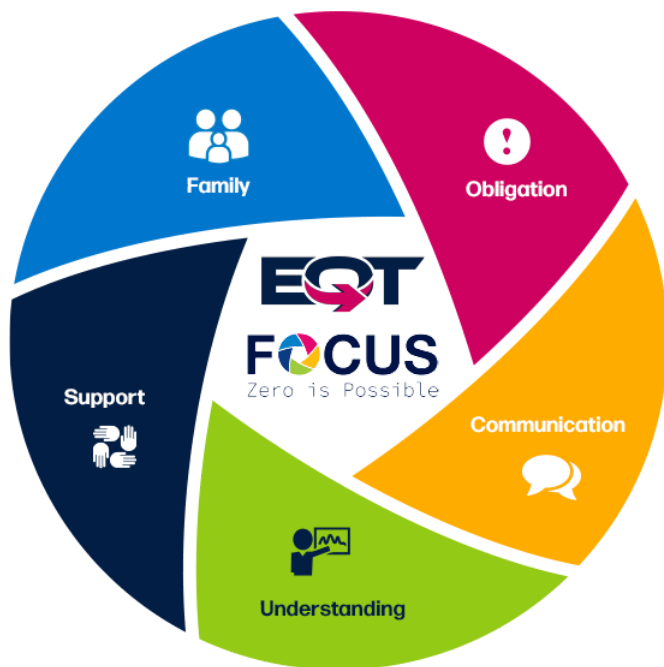
103-1 

At EQT, we understand that to achieve operational excellence, safety must come first. The safety of our employees and contract workers is a top priority, as natural gas extraction activities, including well operations and water hauling, can pose health and safety risks to workers. A strong safety record also contributes to our success through attracting and retaining employees and demonstrating strong management to investors and other stakeholders.

## What We Are Doing

103-2, SASB EM-EP-320a.2 

The safety of our people and the environment is at the core of everything we do. We prioritize safety objectives over business objectives, and we conduct our 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. As we strive to be the safest operator in the Appalachian Basin, we implement technologies, robust training and clear safety guidelines to ensure all workers — including our large contractor base — have the resources to work safely. This is why we embarked on a cultural evolution to enhance our safety strategy following the appointment of new management in July 2019. The result was a new and improved safety program, culture and coaching tool — EQT FOCUS.



## F IS FOR FAMILY

Family is about expanding our connections and caring for the people here at work and at home, and treating everyone as our family.

## O IS FOR OBLIGATION

Each one of us has an obligation to perform our jobs efficiently and safely in a manner that protects the health and safety of ourselves and those around us.

## C IS FOR COMMUNICATION

Communication is engaging in respectful conversations that focus on our common goals and values

## U IS FOR UNDERSTANDING

Understanding is being aware of our safety goals and how we can each contribute to achieving them

## S IS FOR SUPPORT

Support is working together to create an environment where Zero is Possible, a safe working environment to ensure we all return home safely to our families

FOCUS exemplifies our commitment to creating an environment where “Zero is Possible,” and ensures that all employees and contract workers receive the same messaging on why safety is important to the EQT family — at home and on the job. We apply a FOCUS lens to our safety management processes, training, contractor guidance and interaction with local communities. We began rewarding our employees and contractors on FOCUS behaviors in late 2019 using challenge coins — one for each letter of the acronym. Contract workers receive a coin and recognition across the organization for going beyond expectations and, if they are awarded all five letters, they receive a gift.

As a responsible corporate citizen, we share our best safety practices with our peers to help improve overall industry safety performance. Through our active membership in the ISNetworld® Appalachian Working Group (AWG), we share safety-related best practices and innovations with a group of natural gas producers to improve safety performance within the Appalachian Basin.

### RELATED RESOURCE

[Safety at EQT →](#)

## GOVERNANCE AND DATA TRACKING

We successfully reorganized our Safety department in 2019 by incorporating the group into EQT’s Environmental, Health and Safety (EHS) department to work alongside the Environmental, Fleet and Security teams. The Vice President, EHS, who reports directly to our Chief Executive Officer, leads the department and provides updates to the Public Policy and Corporate Responsibility Committee of the Board of Directors.

We also created a central database on our digital work environment in 2019 for tracking all EHS data in one location that is available to all EQT employees. The EHS department updates this data monthly, including the three short-term incentive plan metrics applicable to all employees: employee total recordable incident rate (TRIR), contractor TRIR and Notice of Violation (NOV) rates.

## EHS MANAGEMENT SYSTEM AND RISK IDENTIFICATION

403-1, 403-2, 403-4, 403-7, 403-8 ∨

To align with the reorganization of our EHS department, we audited our safety- and environmental-related programs at the end of 2019 to identify areas for consolidation, improvement and better alignment to current issues and regulatory requirements. Through this work, we renamed and enhanced our Safety Management System to an EHS Management System that includes guidance on our safety and environmental expectations. Our EHS Management System is informed by federal and state regulatory requirements of OSHA, the Pennsylvania Department of Environmental Protection, the Ohio Department of Natural Resources and the West Virginia Department of Environmental Protection. Our EHS Management System enables us to systematically identify and manage workforce safety risk by communicating our EHS Policy, workforce safety information, awareness and training, safety procedures, performance monitoring and safety verification processes to our employees and contractors at all locations. In 2019, 830 workers<sup>[1]</sup> (100% of EQT employees and contract workers) were covered by the EHS Management System.

The identification, prioritization and management of our safety risk are core to our EHS Management System. Our detailed risk and hazard analysis (RHA) process uses a hierarchy of safety controls to relentlessly pursue, establish and sustain proper safeguards. Before any fieldwork begins, the RHA requires a systematic safety review of the site construction plan and all daily onsite workforce activities. If a task is deemed unsafe, everyone has the obligation and authority to stop such work without fear of retribution or discipline. To ensure the RHA functions properly, we use a multi-layered verification process — a qualified team of internal and external safety experts oversee observation, testing, inspections and audits. We share verification results with our leadership team, and, if potential weaknesses are identified, we take action to strengthen them.

We encourage employees to communicate with management about issues or initiatives that could help improve overall performance. We also implemented an emergency 800 number in 2019 that operates 24 hours a day, seven days a week. We require all employees, contractors and vendors to report an emergency, medical issue, fire, spill, safety concern, etc. Members of the EHS department field those calls to ensure the right teams are notified to respond. Please see the highlight story in the "Why It Matters to Us" tab for more information.

We also maintain a community hotline number for community members to report safety concerns; see [Community Impacts and Safety](#) for more information on how we protect our communities.

Emergency Hotline: 1-833-990-1534

## SAFETY TRAINING

403-5

Safety training is a critical component of our workplace safety initiatives. All EQT employees receive core safety training annually, along with more frequent specialized training tailored to the work performed and the types of issues faced. We customize specialized training subjects and delivery methods as needed. For example, monthly safety meetings held with field employees cover issues such as:

- Stop-work authority
- Personal protective equipment
- Incident reporting and investigation
- Regulatory citation information
- Emergency preparedness
- Outdoor safety
- Safe driving
- Industry specific technical safety training

Revamping our approach to training, messaging and culture were priorities in 2019, and our EHS department began redesigning our trainings to better suit the nature of our work and workforce. We began rolling out a new FOCUS training program in 2019 related to water hauler truck safety and rollover prevention. With support from our Water division, we filmed various truck scenarios to display proper and improper driving techniques in an engaging learning format. More than 500 contractors and 300 EQT field employees completed the training, with overwhelmingly positive feedback. We plan to implement new FOCUS training for office employees in 2020.

“The FOCUS training provided a facilitated platform where [the instructor] empowered each participant an uncensored opportunity to express their perspective on how to be better. The format encouraged unbridled collaboration and transparency ultimately delivering challenging and stimulated thinking. I personally believe EQT differentiated itself heads above its peers with the FOCUS training.”

– David Alvarez, President of Energy Transportation, LLC

“The involvement of drivers, field supervisors and dispatchers is rarely seen collaborating with senior management, and EQT gave our employees the ability to realize this opportunity. It engaged our personnel and empowered them to say something while operating in the field.”

– Matthew Kicinski, Vice President of Operations, RES Water

On average, full-time EQT employees received approximately 11 hours of health and safety training during 2019, while desk-based contract workers received approximately 1 hour of this training.

## CONTRACTOR SAFETY

Contract workers make up approximately 90% of EQT's total workforce hours, necessitating transparency from and collaboration with our partner companies. A contractor expecting to perform services in drilling, construction, maintenance or other operations-related activities at EQT must agree to adhere to our Contractor Safety Standard and Contractor Safe Work Rules. These safety requirements, updated regularly to reflect best practices, apply to all work performed by a contractor's employees and the employees of their subcontractors. Contractors must also pass a qualification process developed by ISNETWorld® — an industry-recognized platform for monitoring safety metrics and performance. ISNETWorld® ensures our contractors qualify by providing vital information regarding their 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
- Fatality history

Our EHS department collaborates with our Supplier Relations Management group to oversee all new contractors' compliance with our safety standards. If a contractor does not satisfy our safety standards, EHS collaborates with the supplier, applicable operations department and Supplier Relations Management to seek improvement. If the supplier does not improve, safer service providers are engaged. Existing contractors who fail to meet our rules and standards are not permitted to continue to work on an EQT site.

We remain engaged with our contractors as work evolves to ensure we achieve our joint commitment to safety. We track contractor safety incident rates (injury and vehicle accidents) provided by contractors via ISNETWorld®, and our contractor safety auditing process is incorporated in our contractor safety qualification program. We also conduct quarterly contractor safety meetings and, in 2019, held two larger contractor safety meetings attended by more than 700 contract workers. During these meetings, we reviewed incidents, held roundtable discussions and provided feedback.

## TRAFFIC SAFETY

Safe driving is an area of particular importance for EQT, as our site activities result in heavy truck traffic that affects surrounding communities. In addition to our new FOCUS training for water haulers, we maintain Traffic Control Plans, Fleet Safety Procedures and personnel with law enforcement backgrounds to monitor contractors and operate speed radar equipment. Not only do these individuals help ensure our employees and contractors follow our guidelines, they also support community safety and concerns. Read more about our efforts to protect public safety in [Community Impacts and Safety](#).

We also work closely with driving safety and industry experts to reduce risk when operating an EQT vehicle. Both new and experienced drivers must demonstrate their safe driving skills through a periodic supervisor-observation session. New employees undergo a series of computer-based training programs and behind-the-wheel training, including a defensive driving module. We provide additional instruction for those employees operating specialty vehicles or haul trailers, performing off-road travel or driving construction vehicles on public roads. One such course is a U.S. DOT training, which enables drivers to cross state lines and remain in compliance. We require contractors to record miles driven for EQT in ISNETWorld® to establish contractor preventable vehicle accident rates.

We require all of our water hauling vendors to have video cameras installed in their vehicles — one camera facing the driver and another forward-facing camera to show the roadway. These cameras allow us to conduct periodic spot checks on the drivers to verify that they are following the bonded routes, adhering to posted speed limits and ensure that they are not distracted while driving. The cameras have also assisted us in determining the cause of accidents and are used to share lessons learned from different events.

In 2020, we are also developing an insight in our digital work environment that will allow us to track the location and status (e.g., loaded, unloaded, etc.) of water trucks and other vehicles of our service providers. We intend to use this insight to more efficiently source local, available vehicles — thereby reducing mileage traveled — and monitor for vehicles exceeding EQT standards, such as defined speed levels. We believe that this insight will increase the effectiveness of our incident response times.

## OCCUPATIONAL HEALTH SERVICES

403-3 

Healthy employees are more adept at performing their roles safely. To this end, our Medical Services team plays a key role ensuring the occupational health of EQT employees, providing advice and teaming with the EHS department on repetitive motion hazards, industrial hygiene results and the potential for elevated noise exposure. The Medical Services team is accessible to all EQT employees 24 hours a day, 7 days a week.

<sup>1</sup>Inclusive of EQT employees and contract employees only. Number of individuals in both demographics as of December 2019.

# How We Are Doing

103-3, 403-9, 403-10, SASB EM-EP-320a.1 ▼

If a safety incident does occur, we record the nature of the event as prescribed by the OSHA injury/illness recordkeeping requirements in a safety incident management database. After each incident, we conduct a thorough incident review to clarify possible causes, identify options to prevent recurrences and highlight opportunities to improve training, processes and procedures using the hierarchy of safety controls. EQT personnel also conduct regular incident review meetings with senior management. By tracking and analyzing safety incidents, we can assess the effectiveness of our approach to safety management and strive for continuous improvement.

We began focusing on tracking leading indicators in 2019 — near-miss incidents, number of trainings held, audits performed on contractors and our own operations, and survey results — to better benchmark ourselves and identify areas for improvement. We conducted a contractor safety survey in May 2019, the results of which shaped our processes, trainings and communication with contractors going forward. We plan to survey our own employees in 2020.

In addition to the use of safety incident metrics, we also use several safety management verification processes to evaluate our safety program:

- Safety team inspection program
- Safety team contractor monthly safety auditing program
- External (third-party experts) EHS Management System and worksite auditing program

We analyze all results from our safety verification programs for potential systemic issues and establish actions to ensure continuous and sustainable program improvement. In 2020, an independent firm will audit our safety program to identify any additional gaps.

## Work-Related Injuries<sup>1</sup>

	2017		2018		2019	
	#	Rate	#	Rate	#	Rate
<b>EMPLOYEES</b>						
Fatalities from work-related injury	0	0	0	0	0	0
High-consequence work-related injuries <sup>[2]</sup>	3	0.15	1	0.06	0	0
Workforce accidents <sup>[3]</sup>	70	5	39	3.20	16	1.98
Lost time accidents <sup>[4]</sup>	4	0.29	0	0	1	0.12
Recordable work-related injuries (including fatalities)	20	1.43	6	0.49	4	0.49
Main types of work-related injury	Slip and fall, struck by/against or insect bites		Nearly 65% caused by slip and fall, struck by/against or insect bites		Accidental methanol ingestion, ergonomics (heavy lifting), slip and fall, and finger injury as a result of being caught in or between equipment	
<b>CONTRACTORS</b>						
Fatalities from work-related injury	1	0.01	2	0.01	0	0
Workforce accidents <sup>[3]</sup>	199	3.39	372	3.04	173	2.44
Lost time accidents <sup>[4]</sup>	12	0.20	29	0.24	10	0.14
Recordable work-related injuries (including fatalities) <sup>[5]</sup>	63	1.07	98	0.80	29	0.41
Main types of work-related injury	Nearly 70% either struck by/against, slip and fall, or hand and finger injuries as a result of being caught in or between equipment				Majority continue to result from struck by/against, slip and fall, or hand and finger injuries as a result of being caught in or between equipment	

## Total Recordable Incident Rate

Metric	Unit of Measure	2017	2018	2019
Full-time employees	Incidents per 200,000 hours worked	1.43	0.49	0.49

Metric	Unit of Measure	2017	2018	2019
Contract employees		1.07	0.80	0.41
Short-service employees		0	0	0.25

The number of workforce accidents and our total recordable incident rate — for employees and contractors — decreased in 2019 compared to 2018. The majority of injuries continue to result from slips, falls and hands/fingers getting caught in or between equipment. We had zero fatalities in 2019.

**Our 2019 contractor recordable work-related injury rate decreased by 49% compared to 2018.**

## Work-Related Ill Health

	2017	2018	2019
<b>EMPLOYEES</b>			
# of fatalities as a result of work-related ill health	0	0	0
# of cases of work-related ill health	1	1	1
<b>CONTRACTORS</b>			
# of fatalities as a result of work-related ill health	0	0	0
# of cases of work-related ill health	2	3	0

We had only one employee with work-related ill health in 2019 from poisoning in relation to the accidental ingestion of methanol.

## Near Miss Frequency Rate<sup>6</sup>

	2017	2018	2019
Full-time employees	4.22	3.70	0.99
Contract employees	2.54	1.95	1.56
Short-service employees <sup>[7]</sup>	N/A	N/A	0

Our near-miss frequency rate has decreased significantly year-over-year.

## EQT Preventable Vehicle Accident Rates

	2017	2018	2019
Preventable vehicle accident rates (Employees) <sup>[8]</sup>	0.75	1.27	1.10
Preventable vehicle accident rates (Contractors) <sup>[9]</sup>	1.48	2.15	2.36

Our contractor preventable vehicle accident rate increased slightly in 2019 because the number of reported miles driven in 2019 decreased by nearly 45% compared to 2018.

<sup>1</sup> Per 200,000 hours worked.

<sup>2</sup> Inclusive of cases with a return to work date greater than 6 months from date of incident.

<sup>3</sup> Includes all reported injuries.

<sup>4</sup> Number of lost work days per 100 full-time equivalent (FTE) employees

<sup>5</sup> 2018 contractor OSHA recordable information updated to include a case that was reported after completion of our 2019 Corporate Social Responsibility report in December, 2019.

<sup>6</sup> Incidents per 200,000 hours worked.

<sup>7</sup> Short-service employee information available for EQT employees only.

<sup>8</sup> (# of preventable vehicle accidents \* 1,000,000) / Miles Driven.

<sup>9</sup> 2018 Contractor PVA rate updated to include incident reported after completion of 2019 ESG Report. (# of PVAs \* 1,000,000) / Miles Driven – does not include contractor information associated with the Mountain Valley Pipeline project. Inclusive of contractor PVAs occurring on and off EQT property.





## EQT Receives Awards for Unique Approach to Safety Training – Utilizing Technology to Improve Safety

In June 2020, we received a Communicator Award for our EHS Safety Training Video, which includes re-enactments of actual scenarios of safety incidents and concerns in order to better enable our employees and contractors to address similar incidents, should they occur. The Communicator Awards is an annual competition honoring the best digital, mobile, audio, video and social content the marketing and communications industry has to offer. The Communicator Awards is widely recognized as one of the most prestigious awards of its kind in the world. Additionally, we also received a Hermes Creative Award, which honors the messengers and creators of the information revolution. We are proud of the recognition this video has garnered and we look forward to continuing to find new and innovative ways to communicate our safety efforts.

We require all employees and contractors to watch the EHS Safety Training Video and take a test to understand the importance of our EHS policies and procedures. Upon successful completion, they receive an ID badge embedded with a QR code. In 2019, we improved the safety and security of our operations by changing site-entry authorization from a manual sign-in to a scanning of ID badges, allowing us to capture digitally the names, time in and time out of specific sites. We then developed a tracking insight in our digital work environment to monitor personnel on site. This gives us access to individuals' names, time in and time out at specific sites in the event of an incident.

In 2020, during the COVID-19 pandemic, we further leveraged this insight to protect our workforce and contractor partners. Upon learning that one of our contractors tested positive for COVID-19, we were able to use this insight to identify all individuals who had been on site with the contract worker and inform those individuals who may have been exposed to the contract worker, or who may have come into contact with a secondary exposure factor stemming from the original source, within just a few hours.



## SOCIAL

# COMMUNITY IMPACTS AND SAFETY

## Why It Matters to Us

103-1, 413-2 ▾

Being a good neighbor and operating responsibly in our local communities is critical to being the operator of choice for all stakeholders. Although we provide significant benefits to the communities in which we operate, including direct and indirect job creation, landowner royalties, road improvements and financial contributions, our operations have the potential to create negative impacts. These may include traffic and road congestion, dust, noise pollution and potential accidents from operations, which can occur at or near any of our sites as the majority of our operations run continuously. We have increased our focus on the areas surrounding our direct operations and take a proactive engagement approach to further mitigate our impact.

Our efforts to provide a positive impact on our community center on mitigating the potential negative impacts of our business and maximizing the benefits of our operations by providing sustainable benefits to local economies and charitable support. We mitigate potential negative impacts primarily through proper assessments of sites and active engagement with landowners and local communities for the duration of our operations. In 2019, we placed particular importance on increasing the transparency and cadence of our engagement efforts with our landowners. We also strive to be a good neighbor and corporate citizen by working collaboratively with, and giving back to, the communities in which we live and operate. Our approach includes:

- Working with Communities — How we mitigate local impacts, address concerns and promote public safety
- Supporting Local Economies — Our impacts through job creation, tax revenue generation and royalty payments
- Giving Back to Our Communities — Our charitable contributions in the areas where we operate

## Working with Communities

103-2, 413-1, SASB EM-EP-210b.1 ▾

From the planning and design phase to the decommissioning of a well, we are committed to proactively addressing community concerns and other risks associated with local operations. This process involves ensuring we follow all applicable laws at the township, county and state levels, as well as addressing community concerns before we commence construction.

In 2020, we are working to build a coalition of EQT stakeholders, including leaseholders and community members, among others, to disseminate knowledge on the benefits of natural gas on communities and domestic and global economies. The coalition, known as the EQT NetworQ, will provide information and elevate issues of interest to our stakeholders, as well as empower these individuals to speak up and act as a voice for industry support and positive changes.

## RELATED RESOURCE

[Community at EQT](#) →

## MITIGATING LOCAL IMPACTS

The size of a site dictates the amount of time required to prepare and build the site but, at a minimum, construction takes 120 days before drilling operations can commence. Prior to construction, our Land department engages with landowners<sup>[1]</sup> near a planned site to discuss its location. Our Local Government and Community Affairs Specialists — regionally based EQT employees — are responsible for establishing and maintaining relationships with civic organizations, elected officials, emergency response personnel, business owners, residents and other local stakeholders. These specialists work to understand and address our landowners' primary concerns. This team obtains approval for construction in accordance with local ordinances through township hearing boards, which guide operational practices in the applicable community.

Access to sites can be located near or shared with community neighborhoods and can lead to temporary heavy traffic and operations near local residences, which is a regular safety concern in our local communities. When designing construction routes to sites, we carefully consider the locations of schools, recreation areas and local population. We curtail traffic on roads traveled by school buses and place custom signs along our active truck routes, alerting our drivers and contractors that truck travel is prohibited during school bus pick-up and drop-off times on township roads. These signs also alert the community to slow down and watch for children. We also widen roads, ensure the road base is suitable for heavy loads and try to make roads safer by building turnouts and issuing flaggers to help control traffic. To further mitigate these impacts on local communities, in 2019 we began consistently completing road upgrades prior to commencing operations, including roads at and leading to a site. We also began conducting proactive noise assessments. These efforts led to a decrease in road issues, traffic, noise and, as a result, complaints. We also implemented a communications process to provide neighbors within a certain radius of construction information about upcoming operations and to provide a means of receiving periodic updates.

During the active operation of a site, we provide monthly updates to local townships and counties, as applicable, and our Local Government and Community Affairs team actively communicates with communities as needed and/or in alignment with local policies. Once the well is brought online and the gas is flowing, our Owner Relations team becomes the primary point of contact for the community.

We engaged in organization-wide local community engagement, impact assessment and development programs in all regions where we operated in 2019.

## ADDRESSING COMPLAINTS

103-3 ▾

In addition to seeking a more proactive approach for receiving and responding to community complaints and concerns, in 2019 we enhanced our response to and tracking of concerns that come in via our [Owner Relations hotline](#). Through a dedicated email address and phone number, community members can easily contact our Owner Relations team members about any concerns they may have. We use a data-driven approach to resolve issues by completing assessments related to the concern (e.g., noise assessment) and collecting relevant data to determine the best resolution.

Annually, we analyze our response results to identify trends in performance, benchmark against previous data and determine any required procedural changes.

## RELATED RESOURCE

[Community Engagement](#) →

## EMERGENCY PLANNING

SASB EM-EP-540a.2 ▾

The safety of the communities where we operate, and that of our employee and contractor workforce, is a top priority. We maintain and operate equipment responsibly to create a safe environment in the communities where we operate, and focus our emergency management efforts on prevention, preparedness and response. Our Crisis Management team — in conjunction with the Environmental, Health and Safety department — provides guidance and expertise in emergency response and crisis management. These functions also develop and maintain emergency notification procedures, training and support.

Operating units develop site-specific emergency action and response plans to prepare for significant risks, and teams in the field lead a tailgate safety meeting focused on hazard prevention and emergency preparedness before daily operations begin. Our Crisis Management

team also conducts annual emergency scenario drills, and we contract with experts to provide immediate support in areas such as well control, firefighting and spill response as needed.

To address and proactively respond to community safety concerns, we regularly communicate with our communities through the channels described above, and work closely with emergency response personnel, public works employees, elected officials, school districts and other key community members to engage them in the process, provide factual information, learn from them and build relationships. Most often, the awareness and subsequent conversations surround:

- Identification of the activity occurring at a local job site
- The types of equipment being used
- The most appropriate response for various scenarios
- EQT's emergency or crisis response plan

In addition, we work hand-in-hand with local first responders, building relationships and providing trainings and site tours to ensure all parties have the knowledge needed to respond in the unlikely event of an emergency at an EQT site. During on-location trainings, we conduct mock incidents for EQT employees and first responders to resolve. In 2019, we created an "Oil and Gas 101" handbook for first responders that includes photos and descriptions for each phase of operations. The Pennsylvania State Fire Academy is adopting this handbook for their own training. We provide employee training on incident response and command structure approximately every six months. We also participate in the Southwest PA Oil & Gas Emergency Management Alliance, a coalition of producers, supply companies and first responders dedicated to safety in the oil and gas industry. The group is managed by Washington County Emergency Management Services. Read the highlight story below for additional information on how we engage with local responders.

## RELATED RESOURCE

[Safety at EQT →](#)

### Road Safety

Vehicle safety is included in both our employee and contractor safety expectations, and our Contractor Safe Work Rules include a section on safe vehicle operation. We develop a mandated Traffic Control Plan for all active sites, which we distribute to employees, contractors and subcontractors. These plans outline our specified speed limits, curfews and route restrictions. In 2019, we developed a process for tracking all employees and contractors coming on or off EQT sites to increase visibility and promote safety. We can now track worker driving behaviors to ensure they are following our guidelines, and can more easily monitor their location, enabling us to determine who was involved if an accident does occur or if we receive a community complaint. We also utilize private road monitors with law enforcement backgrounds to continuously surveil our truck traffic once operations begin. These monitors are also involved in investigating community complaints regarding employee or contractor violations.

Read more about employee and contractor safety in [Occupational Health and Safety](#).

In 2019, we experienced zero Tier 1 Process Safety events.

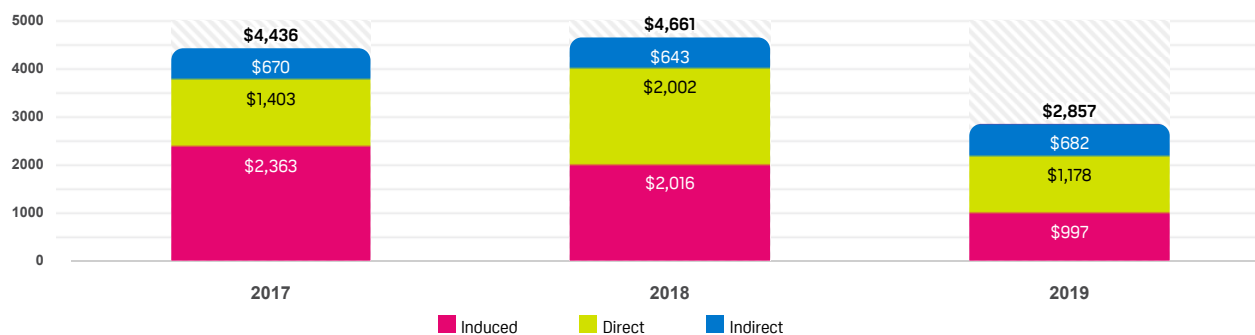
<sup>1</sup> Although EQT does not currently operate in Native American/Indigenous communities, we are committed to working with these groups if/when applicable.

## Supporting Local Economies

203-2 ▾

Our operations have a significant influence on the local economies where we operate by supporting economic growth via job creation, tax revenue generation and landowner royalty payments. We track the indirect economic impacts of our business operations to better understand and communicate how our operations contribute to the U.S. and local economies by annually commissioning an independent analysis. ERM analyzed our year-end 2019 data and compiled the results into a study entitled, "EQT Corporation 2019 Economic Impact Analysis." According to the analysis, our direct activities produced approximately \$1.2 billion of Gross Domestic Product (GDP) in 2019, and the indirect GDP impact through our suppliers was \$682 million. Our total induced impact — that is, the impact of spending by EQT employees, contractors and suppliers — was approximately \$1.0 billion.

## EQT Economic Impact (millions of dollars)



Further, our activities generated nearly \$375 million in state and local tax revenues in 2019, supporting state and local governments.

## 2019 State and Local Tax Payments (millions of dollars)

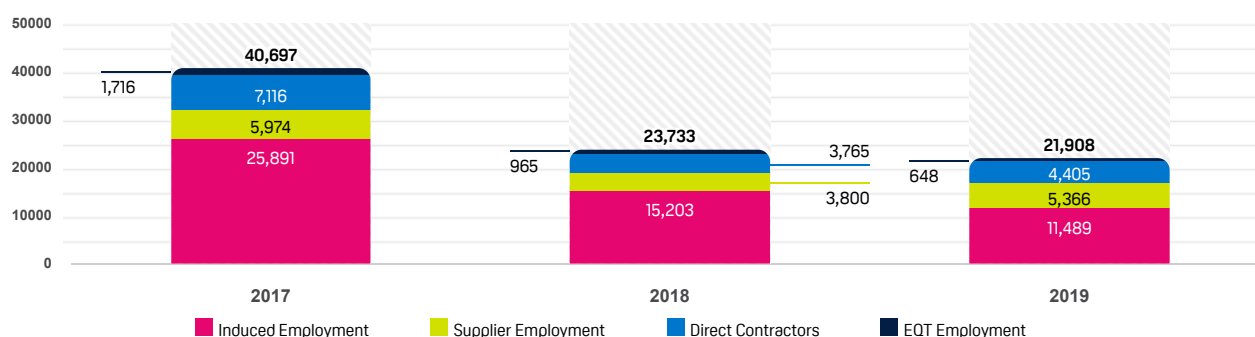
	Pennsylvania	West Virginia	Ohio	Rest of United States <sup>1</sup>	Total
Property taxes	\$47.5	\$18.9	\$11.6	\$27.5	\$105.5
Income tax	\$20.9	\$3.0	\$2.9	\$9.4	\$36.2
Sales tax	\$51.2	\$9.2	\$10.0	\$24.7	\$95.1
Other personal taxes	\$0.8	\$0.1	\$0.1	\$0.4	\$1.4
Other taxes on production and imports	\$8.6	\$2.6	\$1.0	\$4.3	\$16.5
Other	\$53.5	\$22.7	\$12.7	\$31.3	\$120.2
<b>TOTAL</b>	<b>\$182.5</b>	<b>\$56.5</b>	<b>\$38.3</b>	<b>\$97.6</b>	<b>\$374.9</b>

## LOCAL LABOR AND SUPPLIER IMPACTS

204-1

Our operations — entirely in the United States — support local economies via taxes paid, road infrastructure improvements, local hiring of personnel and suppliers, and through use and support of local service establishments. We provide millions of dollars in royalty payments to our landowners and sustain local jobs for employees, contractors and suppliers to support our daily operational activities. In addition to our direct employees, we supported approximately 21,260 ancillary jobs through our operations in 2019. This includes direct contractors — who make up most of our visible workforce — suppliers and supply chain employees who support our production, gathering and transmission activities. Employment contributions also include the earnings spent by those employees, contractors and suppliers — or the induced impact — which drives employment in sectors providing various goods and services to the communities where EQT and our contractors and suppliers operate and live.

## Estimated U.S. Labor Impacts (number of jobs)



<sup>1</sup> Other states include *de minimis* direct benefits and the broader indirect economic benefit from our activities as a result of our directly receiving goods and services from companies located outside of our operating areas.

# Giving Back to Our Communities

203-1 ▾

Our efforts to support our communities extends into local giving, sponsorship and philanthropic efforts through EQT and the EQT Foundation (the Foundation) — a separate 501(c)(3) organization. We and the Foundation both generally restrict our charitable contributions to organizations primarily within the communities near EQT's active operations. We each support programs that build trusting relationships in our local communities, help educate a future workforce for the natural gas industry and keep the environment where EQT operates beautiful and flourishing.

Our Public Relations and/or Government Affairs teams approve the majority of corporate donations to local communities, following a routine review and pre-approval process to avoid support of illegal or otherwise inappropriate activities and to ensure that each recipient organization's initiatives are consistent with EQT's values and corporate strategy. Our philanthropic investments support a variety of organizations ranging from small local nonprofits to municipalities seeking additional support for community projects that exceed their budgets. Other types of corporate support include sponsorships of county fairs, community festivals and other local events that enable us to bond with our neighbors, enhance the quality of life for residents, educate residents about our company and industry, and provide an opportunity for our fellow community members to meet EQT employees.

Highlights from our 2019 local giving and corporate sponsorship initiatives include:

- Participation in livestock auctions at county fairs, and re-donation of the livestock purchased at such auctions, with proceeds contributed to 4H
- Headline sponsor of the Monongahela 250<sup>th</sup> Celebration
- Washington Township, Greene County Park Project
- Funding to the Marianna Volunteer Fire Company (VFC) for Stop the Bleed Kits/automated external defibrillator
- Donation of four vehicles to Bentleyville Fire Department, Cokeburg VFC, Center Township, and the Waynesburg Police
- \$15,000 to sponsor the EQT Washington and Greene Counties Covered Bridge Festival in Pennsylvania, a festival to celebrate local heritage in the core of our operations

Qualifying nonprofit organizations may also apply for grants through the EQT Foundation, which are reviewed by the Foundation's Board of Directors to ensure compliance with United States laws and regulations applicable to corporate foundations. Foundation grants complement EQT's corporate support to build relationships throughout our operational footprint. In 2019, the EQT Foundation's funding priority areas were Arts and Culture, Community and Economic Development, Diversity, Education and Environment. For 2020 and beyond, the EQT Foundation is condensing these priority areas into three categories in an effort to better align the EQT Foundation's philanthropic investments with EQT's corporate strategy:

- Community Enrichment
- Education and Workforce
- Environment

The EQT Foundation gave more than \$5.1 million in 2019 to support local communities; examples of grant recipients include:

- American Red Cross — Sound the Alarm home fire safety program in Pennsylvania and West Virginia
- Citizens Library — Imagination Space mobile media modules
- Computer Reach — Tech camps and computer education to elementary students and families
- The Education Alliance — Strengthening Science, Technology, Engineering and Math (STEM) career exploration in Wetzel County, West Virginia
- Fallowfield Township Volunteer Fire Department — Emergency generator
- Girl Scouts of Black Diamond Council — STEM programming
- House of the Carpenter — Feeding programs for Belmont County, Ohio
- Mon Valley Academy for the Arts — Summer concert series
- Oglebay Institute — Rural Arts Collaborative and REACH education programs
- Operation Warm — Brand new winter coats to children in need in Pennsylvania and Ohio
- Southwest Training Services — Pilot program for high school seniors to earn a Commercial Driver's License
- Washington County Gay Straight Alliance — LBGTQA programming in rural areas
- West Virginia Symphony Orchestra — Outreach and student performance in north central West Virginia
- Wildlife for Everyone Foundation — Pollinator Gardens and Seedlings for Schools programs

## RELATED RESOURCE

[EQT Foundation](#) →

Our corporate giving, sponsorships and road and infrastructure improvements for communities totaled more than \$23 million in 2019, while the EQT Foundation provided more than \$5 million in grants and contributions.

### EQT Community Investments

	2017	2018	2019
Local Giving (EQT Corporation)	\$412,750	\$487,897	\$395,500
County fairs, festivals, community events and sponsorships, 4-H livestock auctions (EQT Corporation)	\$559,400	\$559,425	\$633,642
Roads and infrastructure (EQT Corporation)	\$4,379,119	\$10,523,755	\$22,889,397
<b>TOTAL INVESTMENTS (EQT CORPORATION)</b>	<b>\$5,351,269</b>	<b>\$11,571,077</b>	<b>\$23,918,539</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS (EQT FOUNDATION)</b>	<b>\$6,595,000</b>	<b>\$7,778,600</b>	<b>\$5,111,970</b>



## EQT Foundation Creates the EQT Scholarship Program

Partnering with local community foundations in 2019, the EQT Foundation created the EQT Scholarship Program, which awards scholarships to graduating high school seniors looking to pursue careers in the oil and gas industry. The program consists of five \$1,000, one-time awards, as well as one full scholarship, for up to \$18,000 per year, renewable for four years. Each awardee must be looking to study a field related to the oil and gas industry at either a four-year or trade school. In its inaugural year, the program supported students in Greene and Washington Counties in Pennsylvania, as well as Belmont County, Ohio. In 2020, the program expanded to Doddridge, Marion, Tyler and Wetzel Counties in West Virginia, increasing the total scholarship commitment for this program to \$539,000.



## SOCIAL

# TALENT ATTRACTION AND RETENTION, DIVERSITY AND INCLUSION

## Why It Matters to Us

103-1 ▾

To realize EQT's full potential to become the operator of choice for all stakeholders, it is essential that we maintain a strong workforce and foster a culture that aligns our entire workforce with the tasks necessary to execute our mission. Attracting and retaining unique, driven and diverse talent leads to more innovation and overall business success, as we rely on a broad range of skills, supported by sophisticated technology, to operate our business. It is therefore more critical than ever to establish purpose, live our values, communicate transparently and support our employees.

## What We Are Doing

103-2 ▾

We aim to develop a workforce that produces peer leading results. To further that goal, we are focused on creating a modern, innovative, collaborative and digitally-enabled work environment where top talent wants to work. From our recruitment processes to our robust benefits package, learning and development opportunities and technology-driven work environment, we aim to attract and retain the brightest minds in the industry.

Our human resources strategy aligns with our unique operating model. In 2019, we flattened our organizational structure and significantly reduced the number of departments within the Company. By instituting our digital work environment, we replaced a historical bureaucracy and chain-of-command approach to decision-making with a structure focused on the democratization of data, ensuring that decision-makers have the information they need in real-time to make safe, responsible, value-creating decisions.

Additionally, we established new values for the organization — Trust, Teamwork, Heart and Evolution. These values are illustrative of those needed for us and our company to succeed in our new operating model. Transparency, integrity, collaboration and a willingness to look for better ways to operate all support our end-goal of elevating accurate data to be analyzed and acted upon by decision-makers.



We are highly focused on ensuring that we get the best out of our employees, that they grow, that they are heard and that they are valued. We have spent considerable time, capital and effort in infusing technological and human capital support into our organization to lay the groundwork for maximizing our employees' capabilities. We installed proven leaders to help oversee and train employees on our new operating model. We now leverage our new digital capabilities and previously successful programs to recruit talent and promote learning, development and performance. We also utilize our digital work environment to engage directly with our employees, including through sharing company updates and personnel accomplishments and internal polling. Employees have the ability to see the results of the polls and provide additional feedback to management on questions that are posed in the poll.

Our organizational changes are fundamental to our operational success, and with them comes a new way of looking at talent attraction and retention, diversity and inclusion. We have transitioned away from an approach where career development was measured by the number of an employee's direct reports. We now measure career development through the lens of personal growth, contributions to value creation and recognition of one's actions. This approach is the same as was implemented at our Chief Executive Officer's prior organization, which was named the Number 1 Workplace in Pittsburgh in 2017.

## ATTRACTING TALENT

When recruiting talent and promoting job opportunities at EQT, we aim to communicate who we are as an organization — a company with deep history that is also a leader in innovation and committed to modernization. Our Human Resources team seeks to attract and resonate with talent by showcasing who we are and what we do on our company website, career pages and social media, including LinkedIn and Glassdoor. We often find that some of the most impactful decision-making tools for our prospective candidates are personal recommendations and authentic online reviews from our own employees. Our job opportunities are distributed to a multitude of job boards, and our team is highly skilled in leveraging LinkedIn for additional sourcing and networking efforts. We maintain policies compliant with all federal and local regulations, including the Equal Employment Opportunity Commission and Americans with Disabilities Act, to ensure fair and equitable recruiting. We also promote career mobility within EQT by maintaining Internal Applicant Guidelines.

## EMPLOYEE BENEFITS

401-2, 403-6 

Ensuring employees have the resources and support they need to live a healthy life is critical for sustaining a workplace of choice. We made significant enhancements to our benefits in 2019 to better support our diverse employees and evolve our culture. We expanded our family leave policy to include 80 hours of paid paternity leave and increased paid maternity leave for both birth and adoptive mothers to 12 paid weeks. Both our maternity and paternity leave go beyond legal obligations, as the United States has no legal requirements for paid parental leave. We also rolled out a *dress for your day* policy, flexible work arrangements, volunteer time off and a vacation donation program where employees can offer paid vacation days to a colleague dealing with a serious personal situation that requires them to take off significant amounts of time from work that would not be covered by existing leave benefits. We also began offering an enhanced benefit for in vitro fertilization (IVF).

Healthcare	Insurance	Financial	Lifestyle
<ul style="list-style-type: none"> <li>▪ Medical*</li> <li>▪ Dental*</li> <li>▪ Vision*</li> <li>▪ IVF benefit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Life insurance (company paid)*</li> <li>▪ Accidental death and disability (company paid)*</li> <li>▪ Short-term disability (company paid)*</li> <li>▪ Long-term disability (company paid)*</li> <li>▪ Business travel accident (company paid)*</li> <li>▪ Optional life insurance - employee, spouse, child*</li> </ul>	<ul style="list-style-type: none"> <li>▪ Relocation assistance</li> <li>▪ 401(k) retirement savings with matching company contribution*</li> <li>▪ Employee Stock Purchase Plan*</li> <li>▪ Health Savings Account*</li> <li>▪ Credit Union*</li> <li>▪ Severance pay</li> </ul>	<ul style="list-style-type: none"> <li>▪ Paid time off</li> <li>▪ Education assistance program</li> <li>▪ Flexible work arrangements and optional 9/80 work schedule</li> <li>▪ Paid leave of absence</li> <li>▪ Extended unpaid leave of absence</li> <li>▪ Vacation Donation Program</li> <li>▪ Employee Assistance Program*</li> <li>▪ Extended family and medical leave (includes maternity/paternity leave)</li> <li>▪ Adoption benefit</li> <li>▪ Infertility benefit</li> <li>▪ Commuter reimbursement accounts*</li> <li>▪ Wellness programs*</li> <li>▪ Foundation Donation Program</li> <li>▪ Matching gift program - 100% match up to \$50,000 per year</li> </ul>

\*These benefits are not available to part-time employees. Part-time employees scheduled to work for at least 20 hours each week are eligible for all other benefits.

## Employee Wellness

In addition to our formal benefits package, we offer the EQT Take Charge wellness program, sponsored by one of our health service providers. Take Charge offers personal health coaching, wellness information, health management programs, newsletters and employee educational sessions conducted by medical professionals during work hours. The program is designed to aid employees and their families in managing personal health and wellness issues. In addition, employees who participate annually in a biometric screening and complete a wellness coaching conversation receive a Health Savings Account (HSA) contribution from EQT.

Complementing Take Charge is our Employee Assistance Program (EAP), which offers additional wellness and lifestyle services, including confidential short-term counseling and treatment programs and referrals to providers with expertise in family and relationship counseling, elder care, money management and legal problems. We pay in full for up to five in-person counselor visits. Any employee, including those who waive our medical coverage, plus anyone living in their household, can take advantage of the EAP and its additional resources.

At no cost to our employees, we offer annual on-site health screening, which enables employees to ask health-related questions during consultation with a medical professional. We protect our employees' privacy by ensuring that individual results remain confidential and third-party providers supply only aggregated information for analysis purposes.

## EMPLOYEE DEVELOPMENT

### 404-2

During an employee's tenure with EQT, we aim to provide the resources needed to enhance their skills and knowledge, and to promote a culture where employees feel empowered to advance their education and career. This begins with our new-hire orientation, where employees learn about our culture, organization, benefits, leadership competencies, performance expectations and other available resources to help them succeed from day one. Orientation also reinforces our commitment to workplace safety, ethical conduct and environmental stewardship. Following orientation, employees receive additional training as needed to develop the skills necessary to perform their job tasks safely and effectively. This includes mandatory and work-specific trainings, and we offer optional participation in seminars, workshops and certification programs to ensure that employees are continually prepared for their job tasks.

Employees continually work with their managers or supervisors to identify other appropriate training opportunities as they grow their careers with EQT. In 2019, we began leveraging learning modules through LinkedIn Learning and Salesforce Trailhead, working with

department heads to identify strong candidates to participate in relevant learning programs. Some employees may seek to expand their formal education, and our Education Assistance Program provides financial assistance to those who enroll in degree programs and satisfy established grade requirements. Although we put our Education Assistance Program temporarily on hold in August 2019 while we assessed and redesigned the program, participation and success rates have been high, and we plan to revitalize the program in 2020.

In addition to annual performance reviews, employees participate in formal development planning with their direct managers to discuss aspirations and development gaps in experience and/or skillsets. These discussions are intended to create a scenario for success in the employee's current role as well as to identify additional responsibilities and opportunities. In 2020, we are rolling out a 360-degree review program company-wide where employees can choose the individuals they would like feedback from.

As our employees near the end of their careers, we also provide training and additional resources to aid them in the transition from active employment. Our independent 401(k) plan administrator offers online courses, one-on-one meetings and telephone advice about retirement options. We also help retiring employees navigate the digital health insurance marketplace as they seek to transition their health insurance providers.

## DIVERSITY AND INCLUSION

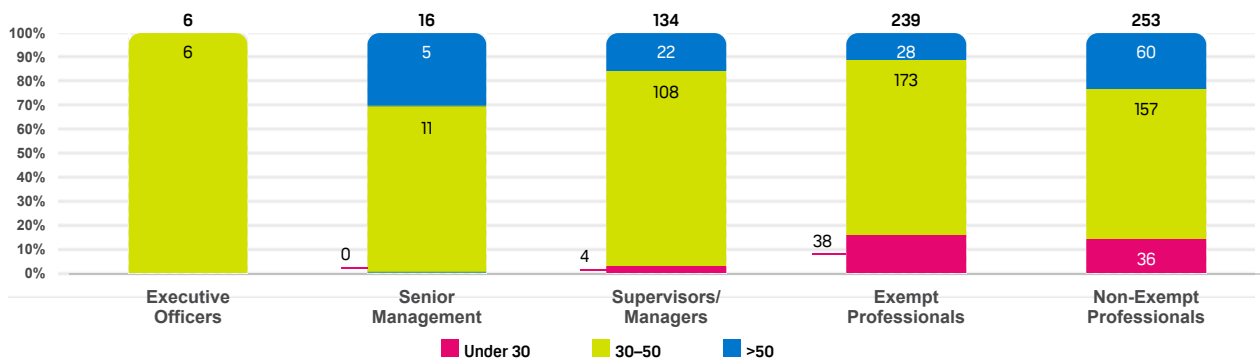
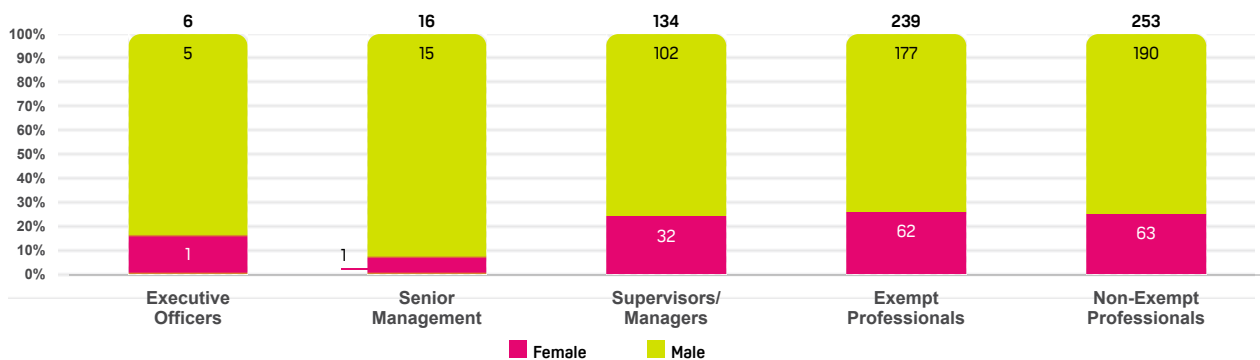
### 405-1

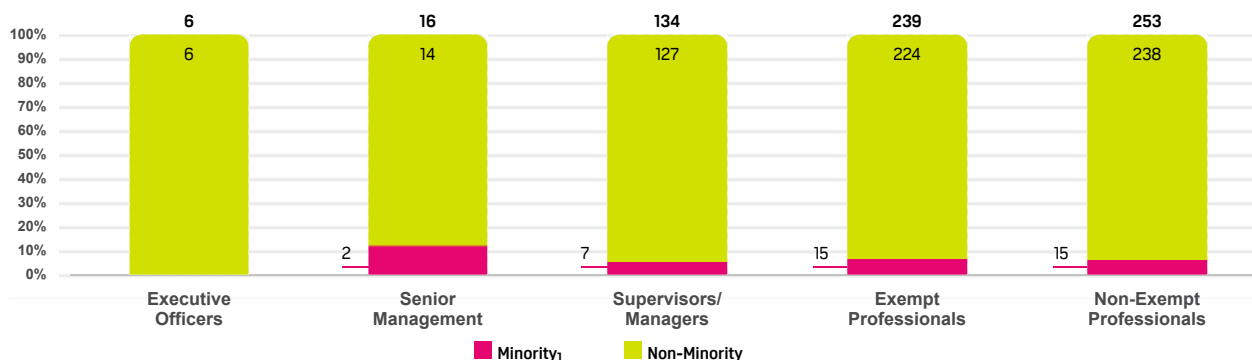
At EQT, we firmly believe that diversity of backgrounds, education and skillsets among our employees supports a successful workforce and improved performance. We strive to recruit the best available talent, including qualified racial and ethnic minorities, women, veterans, disabled persons and LGBTQ+ candidates. For example, we work with [Diversity Pennsylvania](#) to promote our job openings on a network of websites and community groups that support a diverse applicant pool.

With the implementation of our digital work environment in 2019, we can more easily connect individuals across EQT and promote inclusivity. Not only have employees regularly used our digital work environment to post articles, comments and photos, message one another and discover shared connections with colleagues, they have also indicated that they feel more connected and included within their department and at EQT.

Furthermore, by eliminating silos and bureaucracy, more employees are able to be seen and recognized for the value that they create. Employees are routinely working with leaders and personnel outside their department, gaining increased opportunities for learning and exposure.

### 2019 Employee Diversity<sup>1</sup>





In accordance with our 100-Day Transformation Plan, proven leaders were instilled in a number of our departments to oversee the transition to our new operating model. Later, and as described under [Workforce Alignment](#), we effectuated a workforce reorganization that resulted in our letting go of 203 employees as certain roles had become redundant as we evolved as a company into a more streamlined, digitally-enabled organization. While new leadership and select employees were added in this period, our results for 2019 employee diversity are principally reflective of the workforce balance in place at the time of new leadership entering the organization.

Our efforts in creating a more inclusive organization are part-and-parcel with our overall approach to maximizing human capital. While we are still effectuating the changes needed to establish the cultural foundation of our organization, we are committed to improving the diversity of our employee base. In particular, while the levels of diverse representation for 2019 are in line with historical EQT levels — with the exception of an increase in minority representation among Senior Management and Supervisors/Managers, areas of turnover focus in accordance with our 100-Day Transformation Plan — there is work to be done.

Currently, the tenure of our diverse employees exceeds that of our employees who are part of the majority demographic at EQT, a positive signal in diverse employee retention. While headwinds exist in growing our diverse employee base, both in low turnover limiting opportunities to attract more diverse candidates and operating in a region that does not have a significant minority workforce, we are committed to improving. We intend to build on our cultural transformation as well as the infusion of diverse leadership — including our 50% female representation on our Board of Directors — to expand our reach to diverse talent. Our talent acquisition strategy has been strengthened to include a partnership with [Vibrant Pittsburgh](#), a nonprofit organization that works with employers and diverse community groups to organize, promote and implement initiatives designed to welcome and retain diverse talent; posting our job opportunities on diversity job boards; and searching for candidates nationally rather than limiting our search to candidates within our operating area. We also intend to grow the pool of diverse candidates interested in our industry by pursuing initiatives like partnering with local school districts to introduce students to our industry with rig tours and apprenticeship programs. Our intent is that initiatives like these will foster students' interest in our industry, and that they will go on to have careers in our industry and join EQT as employees, growing our diversity organically.

## Equitable Pay

As transparency and accountability are cornerstones of our garnering trust with our stakeholders, we are disclosing our gender pay ratios (calculated by dividing the average basic salary and remuneration for women by that of men) in accordance with Global Reporting Initiative (GRI) standards:

- Executive Officers: 66.2%
- Senior Management: 89.5%
- Supervisors/Managers: 80.6%
- Exempt Professionals: 87.5%
- Non-Exempt Professionals: 82.2%

We are committed to ensuring that our organization provides fair and equitable pay that is in line with market rates for our industry and region. Given our goal of maintaining a relatively flat organization, our compensation structure is market-based — tailoring pay to competitive rates focused on job-specific duties and scope of responsibility — as opposed to being based on an employee's title or level within the organization. Market rates based on job responsibility vary significantly, and are why regulatory agencies typically look at compensation related to responsibility as opposed to title. In a flat organization, similarly titled employees can have significant variation in market compensation. The pay gaps above can be attributed to the relatively low numbers of women to men in each of the broad categories provided and differences in market rates among roles within each of such categories.

For information on the diversity breakdown of our Board of Directors, see [Corporate Governance](#).

## SUPPLIER DIVERSITY

We seek out small and diverse local suppliers whenever possible to strengthen our ability to deliver high performance to our customers and communities through a strategic sourcing approach supported by our Board of Directors and management team. We consider diverse suppliers as those that are Minority Business Enterprises (MBE), Women's Business Enterprises (WBE) and/or Veteran Owned Businesses (VOB). Further, we encourage our top vendors to consider diverse subcontractors as it helps these businesses develop relevant experience

and provides us with additional opportunities to engage with diverse businesses which we may not otherwise have the opportunity to work with. Our targeted procurement initiatives include:

- Encouraging top suppliers to seek out and include diverse businesses in their bids and as part of their proposed scope of work
- 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 our top contractors to provide supplier diversity education, outline reporting requirements for subcontracting with diverse suppliers, and identify specific products purchased by the top contractors to help align them with diverse firms selling those products
- Tracking diverse vendor usage by asking our top contractors to provide their monthly spend with diverse subcontractors and local suppliers

In 2019, our new leadership team redesigned our approach to supplier diversity, decentralizing the function and integrating goals within our standard procurement practices. Our prior approach to supplier diversity led to a significant concentration of spending with a limited number of diverse service providers, and thus the benefits of our supplier diversity program were concentrated in the hands of a few service providers. Our procurement function as a whole realigned in 2019 to seek a broader-reaching, competitive and data-driven approach as opposed to relationship-driven awarding of business. With respect to supplier diversity, we target opportunities to expand our diverse supplier universe, target diverse suppliers in our bidding processes and set goals for increasing diverse supplier utilization.

As of June 30, 2020, we have spent approximately \$40 million — 12% of our supplier spend with non-publicly traded companies — with over 100 minority-owned businesses. We have awarded bids to diverse businesses in more than 25 supplier categories, and we are committed to increasing our spending with diverse service providers from 25 to 40 supplier categories by 2021, nearly doubling the opportunities for EQT to work with diverse service providers.

We believe that our redefined approach to supplier diversity will allow us to partner with a greater number of diverse suppliers and more equitably distribute the benefits of our partnership.

<sup>1</sup> EQT defines minority population to include: American Indian/Alaska Native, Asian, Black/African American, Hispanic or Latino, or any employee disclosing two or more races.

## How We Are Doing

103-1, 401-1 

Our Human Resources team reviews and evaluates our employment and diversity and inclusion programs on a regular basis. During these evaluations, we confirm compliance with applicable laws and regulations and assess whether our programs remain competitive with the external labor market and align with company values. When reviewing our programs, we consider:

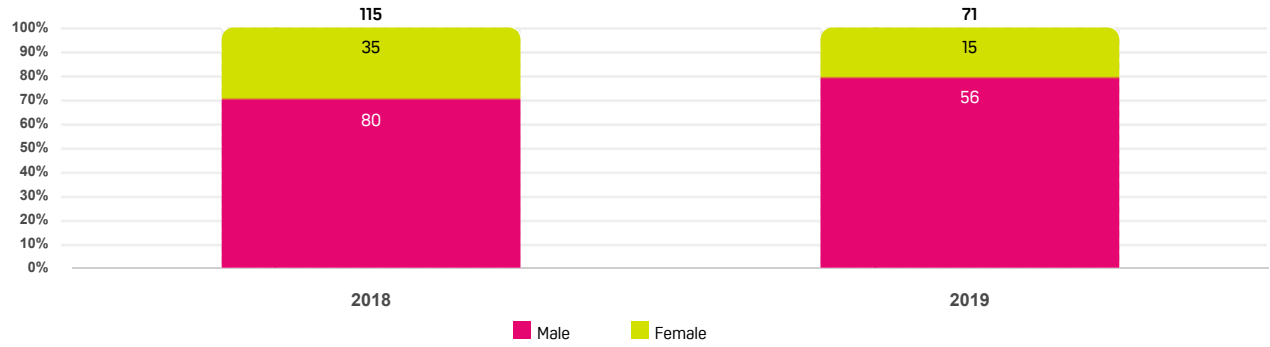
- Feedback from exit interviews
- Annual employee engagement surveys
- Internal polls and corresponding comments and suggestions provided by our workforce through our digital work environment
- Turnover rate
- Internal assessments of diverse representation
- Internal assessments of compensation and benefit plans
- Benchmarking of peer companies in the natural gas industry

We also leverage succession planning to identify and mitigate human capital risks. Our management team reviews these evaluations and may adjust existing programs or develop plans to address any areas of concern that arise.

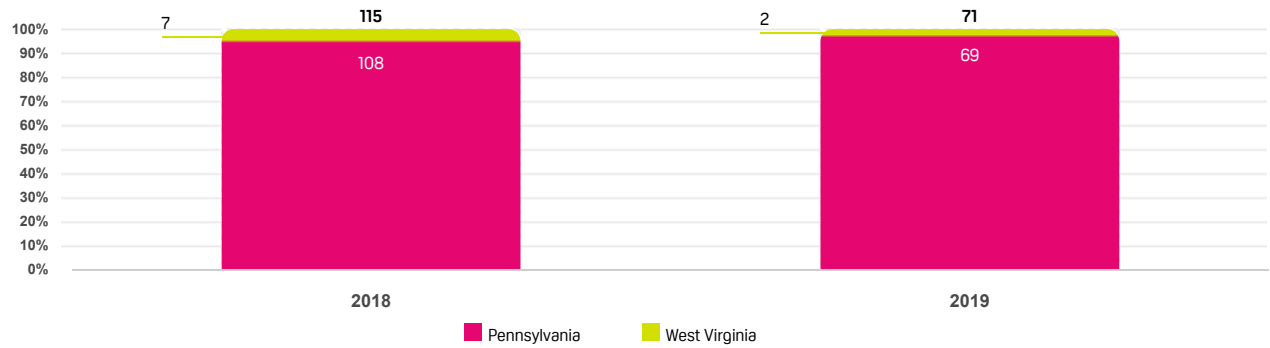
In 2019, we hired 71 employees across our operations.

# New Hires<sup>1</sup>

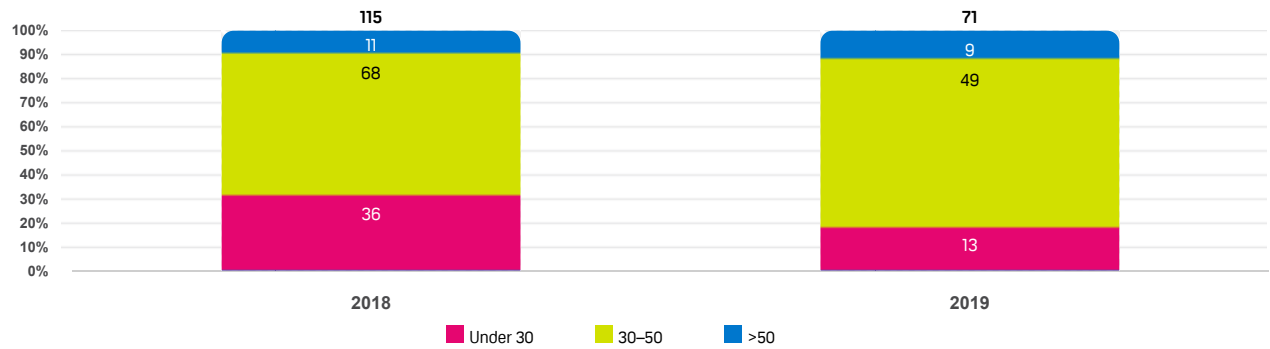
## Gender



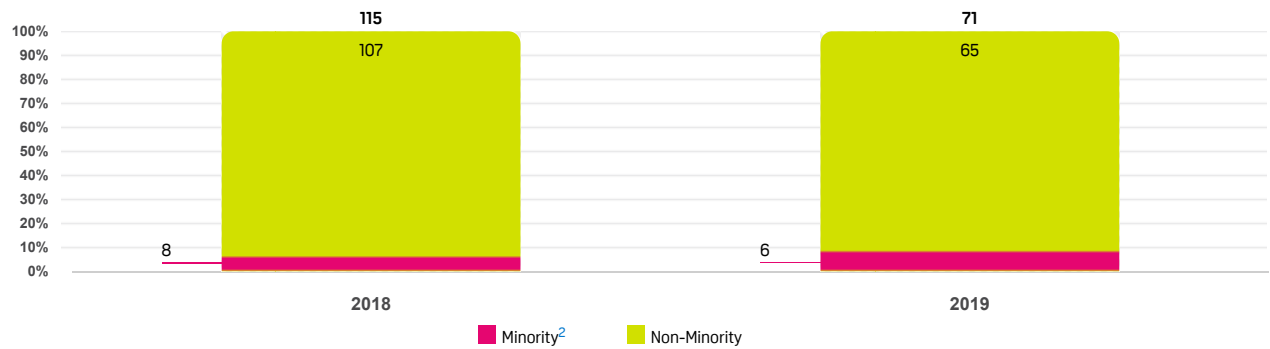
## Region



## Age



## Race and Ethnicity



### 401-3 ▼

Our retention rate for employees taking parental leave in 2019 was 95%.

	2019		
	Male	Female	Total
Eligible	503	164	667
Not eligible	0	0	0
Took parental leave	33	8	41
Returned to work	33	8	41
Return to work rate	100%	100%	100%
Retention after 12 months	33	6	39
Retention rate	100%	75%	95%

**404-3** ▾

100% of our employees received formal performance reviews in 2019. Beginning in 2020, we transitioned from a traditional performance management system where employees had a mid-year and year-end review with their supervisor to review prior completed projects, and we now utilize a more real-time assessment program where employees have proactive conversations with their supervisor on a quarterly basis that are focused on forward-looking performance topics such as areas for growth and engagement.

**WORKFORCE ALIGNMENT**

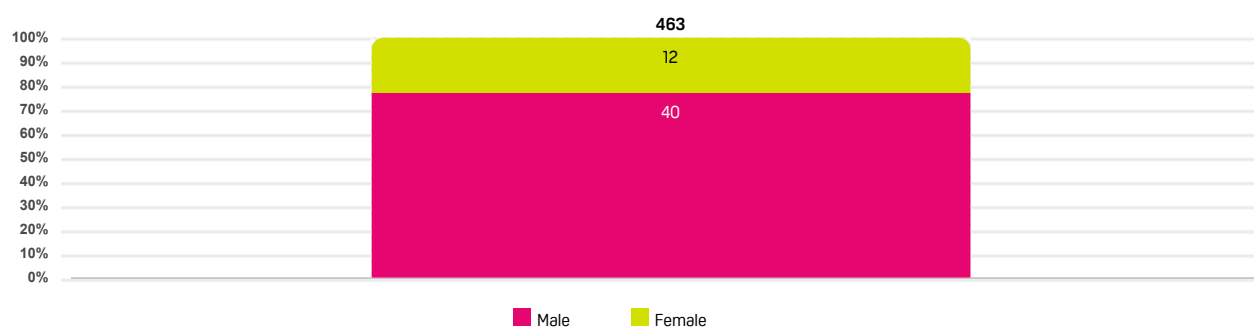
In January 2019, we made the difficult decision to lay off 107 employees (post spin-off of Equitrans Midstream Corporation). In September 2019, we let go of another 203 employees as certain roles had become redundant as we evolved as a company into a more streamlined, digitally-enabled organization. Neither of these downsizings had an asymmetrical impact on women or minority employees. In direct response to better support laid-off employees, we enhanced our severance plans to a minimum package of 14 weeks of pay. In addition, we provided a benefit continuation of 6 months, and entered into a special arrangement with Lee Hecht Harrison, a human resources consulting firm, to provide out-placement services, resume reviews and help with networking.

As part of a wider response, new management explicitly committed to ensuring we are more thoughtful and resourceful when it comes to staffing and resources to prevent major layoffs in the future. We are now challenging our department heads to look at their organizations to put the right people in the right roles within their departments. In early 2020, we implemented a multi-step workflow in our digital work environment to escalate all new proposed positions to the Chief Executive Officer for approval prior to creating any job postings. This process is designed to ensure we are prudent in our hiring and to prevent redundancies in the future.

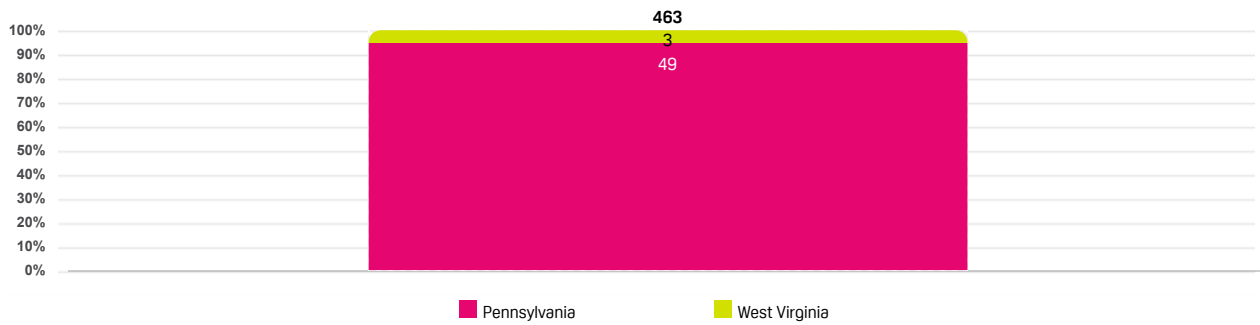
Additionally, in 2019, we refocused our efforts on rebuilding EQT’s culture from the ground-up to ensure alignment with what we do, how we do it and the people doing it. We established and communicated our values — Trust, Teamwork, Heart and Evolution — to guide our decision-making and evolve our workforce to become a values-driven organization.

**2019 Voluntary Turnover**

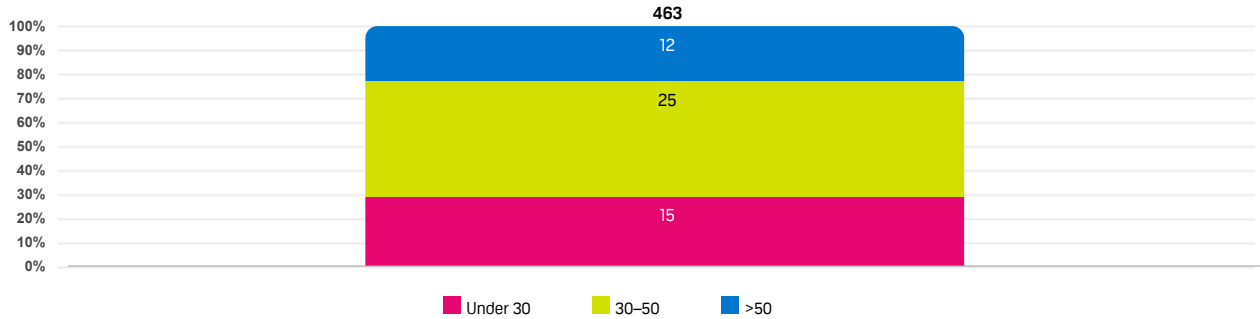
Gender



## Region



## Age



<sup>1</sup> Numbers may not add to 100% due to rounding; for year-over-year comparability, the total of new hires is limited to our upstream operations.

<sup>2</sup> EQT defines minority population to include: American Indian/Alaska Native, Asian, Black/African American, Hispanic or Latino, or any employee disclosing two or more races.



## Employees Step Up to Support a Family in Need

When EQT employee Leah Trapl learned in the summer of 2019 that her four-year-old daughter had a cancerous tumor needing removal, she was overwhelmed by both the emotional toll and concern about how to manage her work schedule and six months of treatment for her daughter. Her team immediately jumped in to cover her work while her daughter had an initial surgery. Knowing that the next several months held dozens of appointments, chemotherapy and radiation, Leah contacted EQT nurse, Karen Leonhard, to discuss solutions. Nurse Karen reached out to EQT employees on Leah's behalf to see if employees would be willing to donate paid vacation days to Leah via our Vacation Donation Program. The support was overwhelming. Our employees — many of whom Leah had never met — deposited more than enough hours for Leah to be with her daughter, go to doctor's appointments and focus on what truly matters. This amounted to more than 100 hours during the subsequent months.

"I received such an outpouring of support from my colleagues... We would have made it work no matter what, but not needing to think about the financial piece of it while it was all going on provided such peace of mind."

-Leah Trapl, Vacation Donation Program recipient

These EQT employees, many of whom donated their hours anonymously, exemplify our values of teamwork and heart. Their generosity continues to inspire our workforce.





SOCIAL

# LANDOWNER RELATIONS

## Why It Matters to Us

103-1 ▾

At EQT, we view the local landowners we work with as valued partners, and our ability to operate hinges on maintaining positive, proactive relationships with these individuals. During every step of the process, our goal is to create mutual trust through transparency, proactive engagement and appropriate responsiveness to concerns.

## What We Are Doing

103-2 ▾

We value our relationships with landowners and understand they are critical to our mission to realize the full potential of EQT and become the operator of choice for all stakeholders. A fundamental component of our company-wide reorganization in 2019 was our renewed commitment to our landowners. Driven by our Chief Executive Officer, we made significant changes in how we interact with our landowners. We now take a more proactive approach to cultivating and maintaining landowner relations with a focus on ensuring all landowners clearly understand how our plans and operations will affect them. We directly engage with our landowner partners on a regular basis through email, town halls and in-person meetings. In 2019, we also improved our processes for carefully tracking and responding to landowner concerns and questions.

Please read about our wider community engagement activities in [Community Impacts and Safety](#).

### LANDOWNER ENGAGEMENT

We believe face-to-face interactions with landowners build trust and open channels for future dialogue. Our Landowner Town Halls, restarted in 2019, allow us to create a personal connection with landowners and provide a platform for landowners to ask questions. Led by our Chief Executive Officer, our Landowner Town Halls foster dialogue around difficult topics and establish mutual respect in the community.

We send targeted correspondence to select landowners to provide updates on relevant projects. We continue to send updates and correspondence to ensure these critical stakeholders understand what to expect throughout the life cycle of our operations in their area.



“There is a positive story behind this photo, but most importantly was what was said by Mr. Rice at the conclusion of our day. His words were ‘Heart, Trust, Teamwork and Evolution’. I have seen those words working with those I have encountered with my EQT connections.”

– Albie Rinehart, Greene County, Pennsylvania landowner

## TRACKING AND RESPONDING TO CONCERNS

We offer several avenues for landowners to contact us. We manage a hotline number and maintain a dedicated webpage to provide landowners with an opportunity to easily voice concerns and ask questions. We promote the use of the hotline number by communicating relevant information during in-person meetings, on company business cards and on the EQT website.



### OWNER RELATIONS

☎ 844-EQT-LAND

✉ [OwnerRelations@eqt.com](mailto:OwnerRelations@eqt.com)

To more accurately and expediently address landowner concerns, in 2019, we began using our digital work environment to log all landowner communications. Our Owner Relations team manages all landowner requests and questions that we receive via our online portal, telephone or written mail, by adding trackable cases in our digital work environment. For entries made through our website, landowners are provided a list of potential issues to choose from to automatically generate a corresponding tagged case. For landowners who choose to contact us by phone, if all Owner Relations team members are on calls, the caller can leave a voicemail that is automatically transcribed into a case. Our updated process results in stronger relationships with members of the local communities where we operate and better tracking of landowner feedback. Through this system, we can track thousands of questions and comments each year, as well as how quickly we respond to the landowner and close each matter. We strive to resolve any issue identified by a landowner within seven business days of the notification date.

Landowner matters are communicated to our Vice President, Land, who reports directly to our Chief Executive Officer. Relevant topics on landowner relations are communicated to the Board of Directors on a regular basis. Our management team also reviews aggregate information on the types and volumes of calls we receive from landowners on a weekly basis.

**RELATED RESOURCE**

[Owner Relations at EQT](#) →

**LANDOWNER PRIVACY**

We must request certain personal information from landowners for legal and tax purposes, and we work to protect their privacy by maintaining systems to handle incoming information and prevent breaches. We strategically limit the number of employees who manage landowner data, and employees who do handle sensitive information are required to complete relevant training.

# How We Are Doing

103-3 ▾

In 2019, we strengthened our focus on landowner relations to ensure effective management of this topic. We are continually working to better understand the types of feedback we receive from landowners and proactively address any significant issues identified through this process. In 2019, we started managing all landowner communications internally to promote more direct relationships. We look forward to including more robust data in next year's report.

In 2019, we had 10,482 calls and emails from landowners. We are in the process of determining key indicators to measure our performance managing landowner relations.



## Revamping Our Town Halls

In August 2019, we held a series of four town halls across our operational footprint in Washington and Greene Counties, Pennsylvania; Belmont County, Ohio; and Harrison County, West Virginia. At each meeting, landowners and community members were greeted by EQT employees before hearing our Chief Executive Officer introduce our new mission, vision, and values, re-establish our commitment to our stakeholders and provide an operational update. Throughout each event, landowners had access to our Owner Relations group to receive updates on previously raised concerns and log new issues in our digital work environment. A total of 267 new cases were addressed and/or opened during these town halls.

# GOVERNANCE



## LEADING WITH SUSTAINABLE BUSINESS PRACTICES

We understand that embodying responsible governance and ethics practices is critical to being the operator of choice for all stakeholders. We are committed to operating transparently and ethically while seeking engagements and technological investments that support our overall strategy.

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✓92

less reports of compliance violations made compared to 2018

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## GOVERNANCE

# CORPORATE GOVERNANCE

## Our Governance Structure

102-18, 102-22, 102-23, 405-1 ▾

Our Board of Directors is the highest governance body at EQT and oversees the management of our business with a focus on policy and strategic direction. The Board has adopted comprehensive Corporate Governance Guidelines, which, among other things, require that our Board annually appoint an independent director to serve as Board Chair. We outline our Board leadership philosophy, including the responsibilities of our independent Board Chair, in paragraph 5(g) of our [Corporate Governance Guidelines](#).

Our Board of Directors was substantially reconstituted at our annual meeting of shareholders on July 10, 2019. Thereafter, a new executive management team led by Toby Z. Rice as President and Chief Executive Officer was appointed to lead our evolution into a modern, connected, digitally-enabled organization with a refocused vision and purpose. As a result of the reconstitution, our Board is composed of an equal number of women and men.

As of December 2019, we had four standing Board Committees:

- Audit
- Management Development and Compensation
- Corporate Governance
- Public Policy and Corporate Responsibility

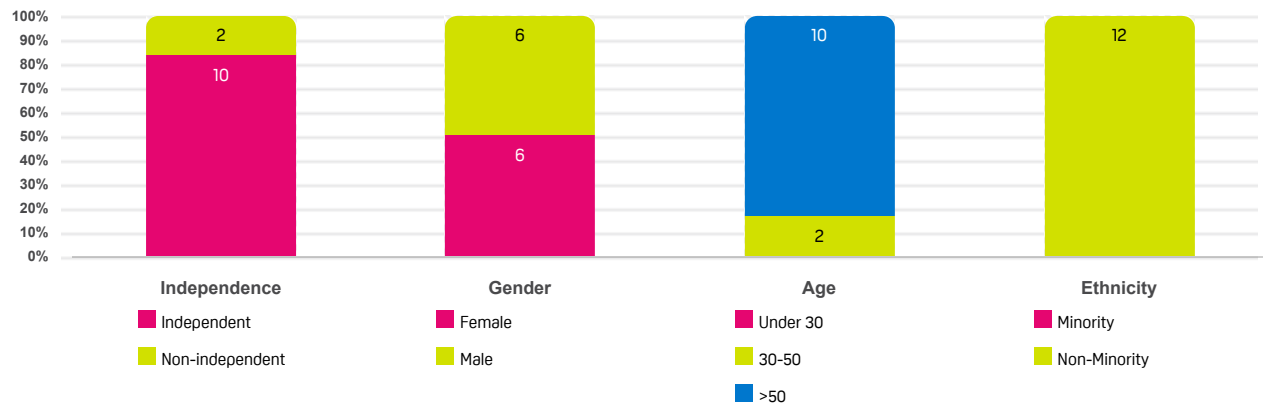
See our Board Committee charters on our [Governance Documents page](#). In addition, details regarding the diversity of our Board as of December 31, 2019, are included in the chart below. The Board does not have a specific diversity policy, but fully appreciates the value of Board diversity. The Board believes diversity affords the opportunity for a variety of viewpoints, which improves the quality of dialogue, contributes to a more effective decision-making process and enhances overall culture in the boardroom.

In evaluating candidates for Board membership, the Board and the Corporate Governance Committee consider many factors based on the specific needs of the business and what is in the best interests of EQT's shareholders. This includes diversity of professional experience, race, ethnicity, gender, age and cultural background. In addition, the Board and the Corporate Governance Committee focus on how the experiences and skill sets of each director nominee complement those of fellow director nominees to create a balanced Board with diverse viewpoints and deep expertise.

## RELATED RESOURCE

[EQT Board of Directors →](#)

### EQT Board of Directors Composition and Diversity<sup>1</sup>



<sup>1</sup> Data as of 12/31/19. Minority population includes: American Indian/Alaska Native, Asian, Black/African American, Hispanic or Latino or any employee disclosing two or more races.

## ESG Oversight

102-20, 102-26, 102-29, 102-31

Two Board-level Committees contribute to setting our direction with respect to Environmental, Social and Governance (ESG) matters. The Corporate Governance Committee and the Public Policy and Corporate Responsibility (PPCR) Committee are responsible for developing, and making changes to, our ESG strategy. Additionally, the Corporate Governance Committee periodically evaluates our performance in achieving the intended goals of our ESG strategy. Each of these Committees revised its charter in 2020 to include explicit ESG oversight.

Our newly formed management ESG Committee supports the Corporate Governance and PPCR Committees and helps guide our ESG strategy. Driven by our commitment to operating safely and sustainably, we formed the ESG Committee in early 2020 to support our ongoing commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability and other public policy matters relevant to EQT. The ESG Committee, comprised of our Chief Executive Officer, General Counsel, Chief Financial Officer and senior leaders from our critical business functions, meets at least once a quarter, and held 15 meetings in the first three quarters of 2020. The ESG Committee reports and makes recommendations to both the Corporate Governance and PPCR Committees regularly on emerging ESG matters. Our full Board also discusses critical ESG topics, such as safety, governance, sustainability, climate change and other environmental matters, as applicable.

### ESG STRATEGY DEVELOPMENT AND IMPLEMENTATION

102-19, 102-21,

To ensure our ESG strategy is, and continues to be, fully informed, the ESG Committee leverages external research and benchmarking, researches ESG best practices, evaluates data trends and engages stakeholders — all in an effort to identify the ESG issues most pertinent to EQT, as well as potential opportunities for improvement. Examples of our stakeholder engagement include external outreach to investors, credit providers, landowners, environmental certification organizations and other groups to better understand how we can address key ESG issues and internal polling of employees to better understand the impact of our social initiatives. Stakeholder outreach is a standing agenda item for each ESG Committee meeting. For more information on our engagement strategy, see [Stakeholder Engagement and Materiality](#).

The ESG Committee also assists our executive team and senior management in developing, implementing and monitoring initiatives, processes, policies and disclosures in accordance with our ESG strategy. In combination with the Board support described above, the ESG Committee both provides guidance to the Board on strategic direction and works with senior management to coordinate the implementation of our strategy company-wide.

### ESG REPORTING

102-32

Our ESG Committee oversees our ESG reporting process, including coordination with internal subject matter experts as needed. In addition, the PPCR and Corporate Governance Committees have an opportunity to review and provide feedback regarding our annual ESG Report.



GOVERNANCE

# ETHICS AND INTEGRITY

## Why It Matters to Us

103-1 ▾

In 2019, we introduced our new company values — Trust, Teamwork, Heart and Evolution. Each EQT employee has a responsibility to carry out our values and enhance our reputation as a company with integrity. It is imperative that we do what we say and do the right thing, as all EQT stakeholders expect this of us. Trust from our communities and other stakeholders is imperative to our ability to operate.

## What We Are Doing

103-2, 102-16, 205-2, SASB EM-EP-510a.2 ▾

At EQT, we firmly believe that each of us is responsible for maintaining and enhancing our reputation by always acting with integrity. Our values drive the culture we expect employees to maintain at all times.



**TRUST**  
Always doing the right thing.  
Doing what you say you will do.



**TEAMWORK**  
Working together toward a common goal.  
Sharing, respecting and embracing diversity of thought.  
Understanding customers.  
Respecting the wrench.



**HEART**  
Caring about what you do (actions).  
Caring about the relationships you form (impact).  
Bringing passion and drive to be the best at what you do (attitude).



**EVOLUTION**  
Driving to get better every day.  
Understanding your environment to prioritize any needed adaptation.  
Being transparent (which enables collaboration that triggers innovation and leads to evolution).

## RELATED RESOURCE

[EQT's Mission and Values](#) →

Our [Code of Business Conduct and Ethics](#) (Code) provides a foundation for our values and sets clear expectations for our employees and all individuals who perform business on our behalf. The Code acts as a guide and resource related to personal responsibilities, compliance with law and the use of good judgement. Our Compliance and Ethics Program Manager revises the Code and other ethics-related policies when needed, in collaboration with subject matter experts, to ensure our policies reflect the ever-changing work environment and legal and regulatory landscape across the many topics covered: environment, health and safety, human rights, avoiding conflicts of interest, communicating and cooperating with regulators, political involvement, diversity and inclusion, honest and ethical dealing and other topics. Our General Counsel and applicable executive management, up to and including the Chief Executive Officer, approve any changes to the Code. Depending on the materiality of the changes, revisions are also reported to the Board of Directors.

Annually, all employees must confirm their continued understanding and compliance with the Code. We provide a core curriculum of online training on the Code and individual topics covered within the Code such as bribery and anti-corruption. This core curriculum is required for every new employee and biennially for all employees, and supplemented with additional courses depending on job responsibilities.

Our suppliers, vendors, agents, contractors and consultants (collectively, our business partners) are expected to provide services or goods in compliance with the Code or their own written code of conduct, if it complies with the U.S. Federal Sentencing Guidelines and all applicable laws and regulations. We annually remind the majority of our business partners of their obligation to comply with the Code and, specifically, their responsibilities related to conflicts of interest.

## RELATED RESOURCE

[Code of Business Conduct and Ethics](#) →

## COMMUNICATING CONCERNS

102-17 ▾

Although the Code provides strong guidance for our employees and business partners, it cannot be all-inclusive. We annually provide a combination of in-person and online training to reinforce the message that employees are encouraged to communicate concerns of misconduct to their supervisors, the EQT Compliance Network or the [Ethics HelpLine](#).

[Ethics HelpLine: 1-800-242-3109](#)

[www.eqt.ethicspoint.com](http://www.eqt.ethicspoint.com)

The EQT Compliance Network, which consists of a group of senior-level employees from Internal Audit, Human Resources, Compliance and Ethics, Legal and Environmental, Health and Safety, is another resource available to employees to seek guidance regarding ethical and lawful behavior and report suspected misconduct.

We have historically maintained a Compliance Hotline for employees to be able to call and report misconduct anonymously. In December 2019, we rebranded the Compliance Hotline as the Ethics HelpLine. The name was changed in an effort to be more welcoming to employees and to remind them that the Ethics HelpLine is a resource available to help them to do the right thing.

In the beginning of 2020, we introduced our Ethics HelpLine web-intake form as an additional way to report misconduct and ask questions anonymously. We wanted to establish a new medium for employees to feel safe speaking up, and we realized that some employees may feel more comfortable reporting misconduct electronically and in written form as opposed to over the phone.

We publicize our Ethics HelpLine phone number and instructions for how to access our web-intake form at all of our work locations and provide it to our business partners so they may anonymously ask questions or report suspected misconduct. The Ethics HelpLine is operated by a nationally recognized, independent service provider and is available 24 hours a day, seven days a week by phone and web form. We maintain a zero tolerance policy concerning retaliation for anyone who makes a good faith report of an alleged Code violation.

We had 26 reports of compliance violations in 2019, a decrease from 92 reports of violations in 2018. In 2019, 46% of reports were substantiated as actual violations, compared to 53% in 2018. Two factors likely drove the decrease in reports and violations in 2019. First, our number of employees decreased by approximately 50% following the separation and spin-off of our midstream business to Equitrans Midstream Corporation in November 2018. Second, 2019 was a year of evolution at EQT. Significant changes were made — to personnel, processes, procedures and culture. While we believe that our new operational and cultural approach, and our focus on becoming a values



driven organization, helped lead to the decrease in violations, we cannot ignore that some employees also experienced confusion and uncertainty about what their role would be or if they had a future at EQT, which could have led to fear of speaking up during our period of transition. As noted above, we have attempted to alleviate any such reservations by increasing the publication of the Ethics Helpline phone number and instructions for accessing the web-intake form, providing new ways to anonymously report violations, and generally better educating employees as to the accessibility and ease of reporting through the Ethics Helpline.

## How We Are Doing

### 103-3

We utilize a variety of surveys, scoring systems and data sources to benchmark our performance alongside peers and other businesses. This enables us to identify training opportunities, policy improvements and improve communication to internal and external stakeholders. We share gathered information and insights among Compliance, Internal Audit and Human Resources staff to ensure we meet our expectation to do the right thing.

In 2019, 100% of our employees assigned to receive training on our Code completed the training.



## GOVERNANCE

# PUBLIC POLICY AND PERCEPTION

## Why It Matters to Us

103-1 ▾

Growing debate within public, regulatory and investor groups related to the transition to a low-carbon economy has contributed to an enhanced focus on natural gas, as well as other fossil fuels. As the largest producer of natural gas in the United States, we believe our duty is to serve as an informed resource to policymakers on issues directly affecting EQT and natural gas industry activities. Pursuing thought leadership opportunities in the industry and advocating for responsibly developed natural gas may lead to improvements to, and better perceptions of, the industry, while supporting our goal to be the natural gas operator of choice.

Additionally, we have an opportunity to elevate the conversation with policymakers to explain how natural gas can be used not just as a resource for meeting growing energy demands domestically and globally, but also as a tool for enhancing the quality of life in many disadvantaged communities. Responsible development of natural gas can help improve these areas by providing a low-cost, low-impact, reliable source of energy, while also providing a number of direct and indirect benefits to the broader community through job creation, landowner royalties, road improvements and philanthropic investments in educational programs and municipal services.

## What We Are Doing

103-2 ▾

Our support of issues that affect our operations and communities are rooted in ensuring that we and others in the industry fairly and safely produce natural gas. We aim to be a thought leader that state and local elected officials seek out for consultation on questions related to our industry. We seek opportunities to engage with regulators, legislators and other natural gas companies to proactively shape policies in the best interest of all stakeholders.

### GOVERNANCE AND POLICIES

We conduct our public policy activities in compliance with applicable local, county, state and federal laws, guided by our Public Relations and Government Affairs teams, collectively referred to as “Stakeholder Affairs.” Additionally, the Public Policy and Corporate Responsibility (PPCR) Committee of our Board of Directors periodically evaluates these activities. The PPCR Committee reviews and receives reports regarding our approach to public policy matters, including corporate political spending, diversity, environmental, health and safety, and energy policy.

Our Political Contributions and Political Activity Policy and Lobbying Disclosure and Compliance Policy help manage our interactions with regulatory agencies and elected officials. We require, among other things, that employees not engage in lobbying activity on behalf of EQT,

nor use corporate treasury dollars for political purposes without permission from our General Counsel. The PPCR Committee annually reviews all contributions made to political candidates and discusses public policy issues that affect EQT to help ensure compliance with our policies and with applicable law.

## POLITICAL SPENDING AND POLICY ISSUES

SASB EM-EP-530a.1 

Our political involvement and public policy activities are limited to the United States, and we comply with the laws and regulations in each jurisdiction where we are active politically. This includes federal and state campaign finance laws regarding political spending in support of political parties, politicians and related institutions. We do not engage in political activity or make financial or in-kind contributions to political parties, politicians or related institutions outside the United States. We fund our political spending through:

- The EQT Corporation Federal Political Action Committee (PAC), sourced solely from the voluntary contributions of EQT employees
- The EQT Corporation State PAC, sourced from voluntary contributions of EQT employees and transfers from the EQT Corporation Federal PAC
- EQT corporate treasury dollars

When considering and engaging on policy issues for the industry, we aim to see the larger impact — on communities, operators, the environment and the economy. We collaborate with government agencies such as the National Safety Council (NSC) and Occupational Safety and Health Administration (OSHA) to improve safety legislation related to the industry. We also work to support federal, state and local policies that promote stable investment climates for natural gas exploration, production, storage and transportation. These may include policies governing environmental protection, taxes, natural gas production, transportation and expanding the use of natural gas in sectors such as transportation, manufacturing and electricity generation. The impact on our stakeholders remains a key driver in our influence and engagement.

In 2019, we improved internal transparency related to our political giving by creating an election tracker tied to our digital work environment. We are committed to the continuation of holding ourselves accountable to align our political giving with our mission and goals. This includes a greater focus on local giving as compared to supporting federal candidates, as our presence and support of local communities more significantly affects our business and relationships.

## Corporate Memberships

102-12, 102-13 

EQT is committed to being an active participant in collaborations to improve our industry. We participate in the [ONE Future Coalition](#), a group of natural gas companies working together to voluntarily reduce methane emissions across the natural gas supply chain, and [The Environmental Partnership](#), where oil and gas companies share best management practices to improve environmental performance. We also participate in industry associations, such as the [Marcellus Shale Coalition](#) and the [American Exploration & Production Council](#), to discuss local, state and federal issues pertinent to natural gas, and the ISNetwork® Appalachian Working Group to share safety-related best practices. Many EQT employees also sit on the boards of local chambers of commerce and industry associations. We provide a list of our industry association memberships, disclosing dues paid and the portion allocated to lobbying under How We Are Doing.

## THOUGHT LEADERSHIP

Thought leadership is a critical component to achieving our mission. We believe firmly that natural gas is an essential energy form in the United States with strong potential in developing nations. In 2020, we are working to build a coalition of EQT stakeholders — such as employees, contractors, leaseholders and community members, among others — in order to provide these stakeholders with information about the benefits of natural gas. The goal of our coalition, known as the EQT NetworQ, is to provide vital information and elevate issues of interest to our stakeholders, as well as empower these individuals to speak up and act as a voice for industry support and positive changes.

# How We Are Doing

103-3, 415-1 

We continued working with legislators and regulators in 2019 to help create policies and regulations that further safe, efficient natural gas development. Compared to 2018, we increased our focus significantly in support of local candidates and issues. In 2019, EQT provided guidance to legislators regarding the following legislative issues:

- Post-production deductions — Pennsylvania and West Virginia
- Co-tenancy and additional leasing laws — West Virginia
- Severance tax — Pennsylvania
- Energy infrastructure

Aligned with these issues, the EQT Corporation Federal PAC and EQT Corporation State PAC contributed \$163,450 to political spending, as shown below.

## 2019 Political Contributions

Funding Source	Beneficiary of Contribution	Amount (\$)
EQT Corporation Political Action Committees	Candidates for U.S. Congress and U.S. Senate	\$13,750
	Candidates for, and members of, the Pennsylvania General Assembly; candidates for governor of Pennsylvania; candidates for Pennsylvania judicial seats	\$80,700
	Candidates for and members of the West Virginia legislature; candidates for West Virginia governor	\$23,000
	Candidates for and members of the Ohio legislature; candidates for Ohio governor	\$15,500
	Candidates for county and city offices in Pennsylvania and West Virginia	\$30,500
EQT Corporation	EQT did not have corporate political spend in 2019.	\$0
<b>Total 2019 Contributions</b>		<b>\$163,450</b>

We also paid \$859,629 in corporate memberships in 2019, with approximately \$145,100 of that total allocated to lobbying. The table below details our participation in industry and trade organizations.

## 2019 Membership Associations

2019 Association Name	Membership Dues	Dues Allocated to Lobbying
Allegheny Conference on Community Development/Greater Pittsburgh Chamber of Commerce	\$128,500 <sup>1</sup>	\$8,995
American Exploration & Production Council	\$20,000	\$14,000
Doddridge Chamber of Commerce	\$100	-
Greater New Martinsville Chamber of Commerce	\$520	-
Greene County Chamber of Commerce	\$700	-
Harrison County Chamber of Commerce	\$475	-
Independent Oil and Gas Association - West Virginia	\$30,000	-
Independent Petroleum Association of America	\$60,000	\$21,000
Kentucky Oil and Gas Association	\$5,000	-
Marcellus Shale Coalition	\$190,000	\$57,570
Marion County Chamber of Commerce	\$570	-
Mon Valley Regional Chamber of Commerce	\$434	-
Monongahela Area Chamber of Commerce	\$330	-
Natural Gas Supply Association	\$250,000	\$20,000
Ohio Oil and Gas Association	\$12,000	\$3,720
Our Nation's Energy Future Coalition (ONE Coalition)	\$20,000	-
Pennsylvania Chamber of Commerce	\$20,000	\$10,000
Peters Township Chamber of Commerce	\$300	-
Public Affairs Council	\$2,800	-
Ritchie County Chamber of Commerce	\$100	-
St. Clairsville Chamber of Commerce (Ohio)	\$500	-
Tyler/Wetzel Chamber of Commerce	\$500	-
U.S. Chamber Litigation Center	\$50,000	-
Utilities, Telecommunications & Energy Coalition of West Virginia	\$3,000	-
Washington County Chamber of Commerce	\$800	-
West Virginia Chamber of Commerce	\$7,000	\$875
West Virginia Oil and Natural Gas Association	\$55,000	\$8,800
West Virginia Manufacturers Association	\$1,000	\$140
<b>Total</b>	<b>\$859,629</b>	<b>\$145,100</b>

<sup>1</sup> This figure represents our total membership amount, including \$25,700 paid by EQT Corporation and \$102,800 paid by EQT Foundation.



## GOVERNANCE

# TECHNOLOGICAL INNOVATION

## Why It Matters to Us

103-1 ▾

Our ability to adopt innovative technologies enables us to cut costs, improve productivity, reduce environmental impacts, improve safety, attract and retain talent, adapt to the fluctuating price of natural gas and remain a market leader. We leverage new technologies to benefit our processes, communities, environment, employees and other stakeholders to ensure we are the operator of choice. Our continued focus on technological innovation and continuous improvement is critical for our future success as the largest natural gas producer in the United States.

## What We Are Doing

103-2 ▾

Our strategic use of technology and process improvement plays a critical role in [worker safety](#), [community well-being](#), and our ability to [create sustainable value](#). This is why, in 2019, we increased our focus on optimizing performance through innovation and technology. We believe innovative ideas can arise from any part of our business, so we maintain open channels for submitting ideas and clear steps for implementation.

### DIGITAL WORK ENVIRONMENT

2019 was a pivotal year for change at EQT. A critical differentiator in the new management team's vision for EQT was to promote a digitally-enabled workplace that would improve transparency, collaboration and accuracy of data. Recognizing that we had an opportunity to break down silos across EQT, we invested in building our digital work environment by investing in a cloud-based platform. The digital work environment serves as our primary platform for online communication and collaboration. It is the home for our critical work processes and allows our employees to connect in real-time, ensuring a shared and transparent view of operational data that drives decisions. Our digital work environment provides the structure that empowers our workforce to be agile, efficient and highly synchronized. The use of this technology has transformed our culture by:

- Enabling every employee across EQT to access a unified, accurate view of critical data;
- Promoting collaboration across business areas and with executives and senior management;
- Driving accountability for data collection and timely reporting;
- Encouraging employees to connect with one another, share ideas and provide feedback;

- Fostering innovation and capturing ideas that add value to the company;
- Providing insights on areas for improvement; and
- Reinforcing data quality to inform goal-setting, strategy and focus areas for EQT.

We have already seen positive changes in our culture and employee behavior since implementing our digital work environment, and believe it will continue to encourage innovative thinking and idea-sharing going forward.

## INNOVATION PROCESSES

At EQT, innovation is a company-wide process to enable every employee across our operations to generate proactive solutions and process improvements. We focus our innovation on satisfying goals and key performance indicators associated with material topics such as health and safety, environmental impacts and community impacts and safety.

We leverage our digital work environment to provide transparency and tracking of potential innovations or process improvements. When an idea is submitted, our Asset Performance team is automatically notified to review the idea and determine where in our business it could have impact. Our entire Executive and Senior Leadership teams are also notified of new ideas, and all employees have access to our innovation submissions. Our Asset Performance team then works with subject matter experts from the operational groups to determine the viability of the innovation. They also confirm alignment with our overall business objectives to improve environmental and safety performance, provide economic value and/or increase reserves.

Once thoroughly vetted, we test the innovation or associated technology at a pilot site. We disseminate the innovation only after we determine the benefits to our operational costs, productivity (i.e., impact on dollars spent per lateral foot) and other business objectives.

## DATA INNOVATION

The future of technological innovation — such as artificial intelligence, automation and a digital work environment — requires extensive, efficient and accurate data collection. During 2019, we began implementing new technologies (sensors, systems and databases) that enable and position us to collect the right data for future innovation. At the same time, we focused on underpinning our workforce with a culture that supports efficient and accurate data collection. Our aim is to continually improve visibility into our processes through the use of technology and analytics.

We translate this data into dashboards that we update and monitor in real time to measure our performance against goals and key performance indicators. Our data is uploaded to our digital work environment to ensure all our employees have access to accurate metrics and data. We are focusing on data collection processes and measurements that set a baseline and position us for future technological innovation.

# How We Are Doing

103-3 ▾

Technological innovation is about making sure we are the operator of choice, now and in the future. We are focused on implementing new technologies and developing innovative processes that create value for our communities, our employees and our business. We measure our innovation by the value it adds to our stakeholders — improved local air quality, cost reductions or improved safety metrics. As 2019 was such a pivotal year, we plan to establish baselines with our 2019 data for reporting on progress in next year's ESG Report.

# CONTENT INDICES

## Global Reporting Initiative (GRI) Content Index

### GENERAL STANDARD DISCLOSURES

GRI Indicator	Description	Location
Organizational Profile <span style="float: right;">^</span>		
102-1	Name of the organization	EQT Corporation
102-2	Activities, brands, products, and services	<a href="#">Corporate Profile</a> ; Hydraulic fracturing is prohibited in some regions of the United States; however, EQT does not have active operations in these areas. Additionally, there are no bans on any of EQT's primary brands, products, or services.
102-3	Location of headquarters	Pittsburgh, Pennsylvania
102-4	Location of operations	<a href="#">Corporate Profile</a>
102-5	Ownership and legal form	<a href="#">Corporate Profile</a>
102-6	Markets served	<a href="#">Corporate Profile</a>
102-7	Scale of the organization	<a href="#">Corporate Profile</a>
102-8	Information on employees and other workers	<p>Total Employees (as of 12/31/19): 818</p> <p>Permanent Employees: 648</p> <ul style="list-style-type: none"> <li>▪ Female: 159</li> <li>▪ Male: 489</li> <li>▪ Kentucky: 0</li> <li>▪ Ohio: 7</li> <li>▪ Pennsylvania: 551</li> <li>▪ Texas: 1</li> <li>▪ Virginia: 1</li> <li>▪ West Virginia: 88</li> </ul> <p>Temporary Employees: 170</p> <ul style="list-style-type: none"> <li>▪ Female: 39</li> <li>▪ Male: 131</li> <li>▪ Pennsylvania: 154</li> <li>▪ West Virginia: 16</li> </ul> <p>Full-time Employees: 641</p> <ul style="list-style-type: none"> <li>▪ Female: 155</li> <li>▪ Male: 486</li> <li>▪ Kentucky: 0</li> <li>▪ Ohio: 7</li> <li>▪ Pennsylvania: 544</li> <li>▪ Texas: 1</li> <li>▪ Virginia: 1</li> <li>▪ West Virginia: 88</li> </ul> <p>Part-time Employees: 7</p> <ul style="list-style-type: none"> <li>▪ Female: 4</li> <li>▪ Male: 3</li> <li>▪ Pennsylvania: 7</li> </ul>
102-9	Supply chain	<a href="#">Corporate Profile</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">Corporate Profile</a> ; <a href="#">2019 Form 10-K</a> , p. 7
102-11	Precautionary Principle or approach	Although EQT does not formally follow the precautionary principle, we assess environmental risks across our operations.

102-12	External initiatives	<a href="#">Public Policy and Perception</a>
102-13	Membership of associations	<a href="#">Public Policy and Perception</a>
<b>Strategy</b> <span style="float: right;">^</span>		
102-14	Statement from senior decision-maker	<a href="#">Letter from the Chief Executive Officer</a>
<b>Ethics and Integrity</b> <span style="float: right;">^</span>		
102-16	Values, principles, standards and norms of behavior	<a href="#">Ethics and Integrity</a>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">Ethics and Integrity</a>
<b>Governance</b> <span style="float: right;">^</span>		
102-18	Governance structure	<a href="#">Corporate Governance</a>
102-19	Delegating authority	<a href="#">Corporate Governance</a>
102-20	Executive-level responsibility for economic, environmental and social topics	<a href="#">Corporate Governance</a>
102-22	Composition of the highest governance body and its committees	<a href="#">Corporate Governance</a>
102-23	Chair of the highest governance body	<a href="#">Corporate Governance</a>
102-24	Nominating and selecting the highest governance body	The Corporate Governance Committee of the Board of Directors identifies and recommends requisite skills and characteristics for individuals to serve as directors of EQT. The Corporate Governance Committee identifies potential director candidates through many sources, including third-party search firms and unsolicited shareholder submissions. All EQT directors stand for election annually by EQT's shareholders. For additional information on Board member qualifications, please see the <a href="#">Board of Directors page</a> on EQT's website. For more information on EQT's nomination and selection process, see pages 26-27 of <a href="#">EQT's 2020 Proxy Statement</a> .
102-25	Conflicts of interest	EQT discloses conflicts of interest to stakeholders as required by law. <a href="#">EQT's Code of Business Conduct and Ethics</a> outlines our policy to avoid conflicts of interest (we also have an internal Conflicts of Interest Policy). EQT maintains a majority of independent directors and our Corporate Governance Committee monitors related-person transactions. For more information, see pages 28-31 of <a href="#">EQT's 2020 Proxy Statement</a> .
102-26	Roles of highest governance body in setting purpose, values and strategy	<a href="#">Corporate Governance</a>
102-27	Collective knowledge of highest governance body	Upon election, EQT directors participate in an initial orientation to Board service and routinely receive information from management to inform them about company business, including related economic, environmental and social topics. EQT encourages directors to participate in outside educational programs, for which EQT funds or reimburses participation.
102-28	Evaluating the highest governance body's performance	The Board and its Committees use performance assessments to evaluate how well they are fulfilling their governance responsibilities. The Board and its Committees conduct annual self-assessments and each director — in a discussion with the Chair of the Board — provides feedback on individual director performance. Although the Board does not publicly disclose any actions taken in response to its annual self-assessments, it takes the assessment process seriously and responds appropriately to the results to improve overall governance performance.
102-29	Identifying and managing economic, environmental and social impacts	<a href="#">Corporate Governance</a>
102-30	Effectiveness of risk management processes	The Board oversees and evaluates the process for assessing the major risks facing EQT and the related risk mitigation options. These responsibilities include: <ul style="list-style-type: none"> <li>■ Performing an annual review of EQT's major risks</li> <li>■ Addressing major risks with management via presentations throughout the year (initiated by management or requested by the Board)</li> <li>■ Delegating oversight for certain risks to Board Committees</li> </ul> Additionally, the Audit Committee of the Board reviews EQT's major risk exposures and key processes implemented to monitor and control such exposures. When making decisions on behalf of EQT, the Board considers the feedback provided by its respective stakeholders.
102-31	Review of economic, environmental and social topics	<a href="#">Corporate Governance</a>
102-32	Highest governance body's role in sustainability reporting	<a href="#">Corporate Governance</a>
102-33	Communicating critical concerns	To achieve sustainable performance for our stakeholders, the Board is committed to overseeing EQT with integrity, accountability and transparency. The Board welcomes input on how it is doing and provides stakeholders multiple ways to communicate with EQT's governing body. <p>The Chair of the Board is a key point of contact within the Board for concerns or inquiries. Other avenues for contacting the EQT Board include:</p> <ul style="list-style-type: none"> <li>■ Corporate Secretary, investor relations, the executive team and respective websites</li> </ul>



		<ul style="list-style-type: none"> <li>▪ The EQT Compliance Hotline</li> <li>▪ Traditional written correspondence</li> </ul> <p>Communications may be made anonymously or confidentially.</p>
102-34	Nature and total number of critical concerns	<p>While EQT does not maintain a record of concerns communicated to the Board of Directors, EQT has conducted a formal shareholder engagement program since 2010, and we maintain active dialogue with our shareholders year-round. Through our investor relations program, senior executives hold meetings with EQT investors or potential investors to discuss operations, strategy and other critical items as outlined on pages 5-6 of <a href="#">EQT's 2020 Proxy Statement</a>. Since our 2019 Annual Meeting of Shareholders held in July, management has held over 200 meetings with investors. Executives from the Compensation and Governance functions also meet with interested shareholders to discuss EQT's pay structure and governance with time devoted to answering shareholder questions and taking suggestions for changes. Our management team uses our annual ESG Report to help guide conversations with investors regarding economic, environmental and social topics. When investors pose specific questions, our management team schedules calls and/or meetings to address their inquiries accordingly.</p> <p>As described in Stakeholder Engagement and Materiality, the Board values and regularly considers the input and feedback of all stakeholders in its oversight of EQT's sustainability efforts.</p>
102-35	Remuneration policies	<p>EQT independent director compensation — including descriptions of cash, equity-based and other compensation — as well as related processes, are outlined on pages 32-34 of <a href="#">EQT's 2020 Proxy Statement</a>.</p> <p>We also have compensation recoupment, or a “clawback” policy, applicable to executive officers if EQT is required to prepare an accounting restatement due to material noncompliance with any financial reporting mandate under U.S. securities laws. The policy authorizes EQT to recoup certain compensation from covered executives who received equity or non-equity incentive compensation.</p>
102-36	Process for determining remuneration	<p>Annually, the Corporate Governance Committee reviews, and the entire Board approves, the compensation of our executive officers.</p> <p>The Management Development and Compensation Committee establishes the target total direct compensation for executive officers by establishing base salaries, setting long-term and annual incentive targets, and approving perquisites. The Management Development and Compensation Committee approves annual and long-term incentive programs on a yearly basis with recommendations from management and an independent compensation consultant. For more information regarding our executive compensation process, see pages 23-24 of <a href="#">EQT's 2020 Proxy Statement</a>; additionally, pages 39-75 describe the executive compensation program and performance.</p>
102-37	Stakeholders' involvement in remuneration	<p>Although we have historically engaged in shareholder outreach efforts specifically targeted at discussing EQT's compensation and governance practices, we did not engage in any compensation discussions with shareholders in 2019. Our Board of Directors was substantially reconstituted following our Annual Meeting of Shareholders in July 2019, and thereafter, a new management team was appointed to lead EQT. The compensation for several of our executives, including our Chief Executive Officer, was not determined until later in the year, and certain of our executives did not join EQT until the end of 2019, including our current Chief Financial Officer who joined our company in January 2020.</p> <p>Our 2020 say-on-pay voting results indicated 98.3% of votes cast were “for” the proposal.</p> <p>As discussed above, the Management Development and Compensation Committee considers investor feedback during the design of our long-term incentive programs.</p>
102-38	Annual total compensation ratio	See p. 75 in <a href="#">EQT's 2020 Proxy Statement</a> .
102-39	Percentage increase in annual total compensation ratio	Our annual total compensation ratio decreased from 49.6:1 for 2018 to less than 0.0001 for 2019. The decrease was the result of the change in management following our 2019 Annual Meeting of Shareholders, following which Toby Z. Rice was appointed as President and Chief Executive Officer, and agreed to total compensation for 2019 in the amount of \$1.00, as calculated pursuant to Securities and Exchange Commission rules.

## Stakeholder Engagement ^

102-40	List of stakeholder groups	<a href="#">Stakeholder Engagement and Materiality</a>
102-41	Collective bargaining agreements	None of EQT's employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	<a href="#">Stakeholder Engagement and Materiality</a>
102-43	Approach to stakeholder engagement	<a href="#">Stakeholder Engagement and Materiality</a>
102-44	Key topics and concerns raised	<a href="#">Stakeholder Engagement and Materiality</a>

## Reporting Practices

102-45	Entities included in the consolidated financial statements	<a href="#">Corporate Profile</a>
102-46	Defining report content and topic Boundaries	<a href="#">Stakeholder Engagement and Materiality</a>
102-47	List of material topics	<a href="#">Stakeholder Engagement and Materiality</a>
102-48	Restatements of information	We restated our 2018 air emissions to reflect corrections in our calculations; see <a href="#">Air Quality</a> . We also restated our 2018 Scope 1 GHG emissions data based on EPA recommendations; see <a href="#">Climate and GHG Emissions</a> .
102-49	Changes in reporting	This report covers the ESG topics deemed most important to our stakeholders based on our 2020 materiality assessment, as described in <a href="#">Stakeholder Engagement and Materiality</a> . Unless otherwise specified, the 2019 data throughout this report refers only to our upstream assets and operations.
102-50	Reporting period	January 1, 2019 through December 31, 2019
102-51	Date of most recent report	December 16, 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Josie Schultz, External Communications Manager ( <a href="mailto:PublicAffairs@eqt.com">PublicAffairs@eqt.com</a> )
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	This page
102-56	External assurance	EQT conducted a self-assessment of the report; however, we did not submit the report for external assurance.

## SPECIFIC STANDARD DISCLOSURES

GRI Standard	Disclosure	Description	Location or Direct Answer	Omission
<b>GRI 200 Economic Standard Series</b> <span style="float: right;">^</span>				
<b>Indirect Economic Impacts</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Community Impacts and Safety</a>	
	103-2	The management approach and its components	<a href="#">Community Impacts and Safety</a>	
	103-3	Evaluation of the management approach	<a href="#">Community Impacts and Safety</a>	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	<a href="#">Community Impacts and Safety</a>	
	203-2	Significant indirect economic impacts	<a href="#">Community Impacts and Safety</a>	
<b>Procurement Practices</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Talent Attraction and Retention, Diversity and Inclusion</a>	
	103-2	The management approach and its components	<a href="#">Talent Attraction and Retention, Diversity and Inclusion</a>	
	103-3	Evaluation of the management approach	<a href="#">Talent Attraction and Retention, Diversity and Inclusion</a>	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	<a href="#">Community Impacts and Safety</a>	
<b>Anti-Corruption</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Ethics and Integrity</a>	
	103-2	The management approach and its components	<a href="#">Ethics and Integrity</a>	
	103-3	Evaluation of the management approach	<a href="#">Ethics and Integrity</a>	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Ethics and Integrity</a>	
<b>GRI 300 Environmental Standards Series</b> <span style="float: right;">^</span>				
<b>Energy</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary		Not material
	103-2	The management approach and its components		Not material
	103-3	Evaluation of the management approach		Not material
GRI 302: Energy 2016	302-1	Energy consumption within the organization	<a href="#">Data Download</a>	
<b>Water</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Water</a>	
	103-2	The management approach and its components	<a href="#">Water</a>	
	103-3	Evaluation of the management approach	<a href="#">Water</a>	
GRI 303: Water 2016	303-1	Water withdrawal by source	<a href="#">Water</a>	Information unavailable for 303-1: EQT does not track rainwater usage and has no plans to begin.
	303-2	Water sources significantly affected by withdrawal of water	<a href="#">Water</a>	
	303-3	Water recycled and reused	<a href="#">Water</a>	

	303-4	Water discharge	<a href="#">Water</a>	
	303-5	Water consumption	<a href="#">Water</a> ; Regarding change in water storage, EQT does not have reservoirs. Our Aboveground Storage Tanks hold impaired water and are temporary structures. Our freshwater impoundments collect rain water, but are only used to actually store water when we need it for a current operation.	

### Biodiversity

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Biodiversity and Land Impacts</a>	
	103-2	The management approach and its components	<a href="#">Biodiversity and Land Impacts</a>	
	103-3	Evaluation of the management approach	<a href="#">Biodiversity and Land Impacts</a>	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Biodiversity and Land Impacts</a>	
	304-2	Significant impacts of activities, products and services on biodiversity	<a href="#">Biodiversity and Land Impacts</a>	
	304-3	Habitats protected or restored	<a href="#">Biodiversity and Land Impacts</a>	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<a href="#">Biodiversity and Land Impacts</a>	

### Emissions

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Climate and GHG Emissions; Air Quality</a>	
	103-2	The management approach and its components	<a href="#">Climate and GHG Emissions; Air Quality</a>	
	103-3	Evaluation of the management approach	<a href="#">Climate and GHG Emissions; Air Quality</a>	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	<a href="#">Climate and GHG Emissions</a>	
	305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Climate and GHG Emissions</a>	EQT does not have operations where we are able to access electricity supplier emissions data or residual emissions data. As such, we are unable to report Scope 2 emissions at this time.
	305-4	GHG emissions intensity	<a href="#">Climate and GHG Emissions</a>	
	305-5	Reduction of GHG emissions	<a href="#">Climate and GHG Emissions</a>	
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant air emissions	<a href="#">Air Quality</a>	Information unavailable for 305-7: EQT does not currently track Persistent Organic Pollutants (POPs) and currently has no plans to begin tracking POPs.

### Effluents & Waste

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Spills</a>	
	103-2	The management approach and its components	<a href="#">Spills</a>	
	103-3	Evaluation of the management approach	<a href="#">Spills</a>	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	<a href="#">Data Download</a>	
	306-3	Significant spills	<a href="#">Spills</a>	
	306-4	Transport of hazardous waste	EQT did not create or transport hazardous waste in 2019.	

### Environmental Compliance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Biodiversity and Land Impacts</a>	
	103-2	The management approach and its components	<a href="#">Biodiversity and Land Impacts</a>	
	103-3	Evaluation of the management approach	<a href="#">Biodiversity and Land Impacts</a>	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	<p><a href="#">Water</a>;</p> <ul style="list-style-type: none"> <li>■ Total number of 2019 environmental non-monetary sanctions: 0</li> <li>■ Total number of 2019 significant environmental fines: 6</li> <li>■ Total monetary value of 2019 significant environmental fines: \$924,490</li> <li>■ Cases brought through dispute resolution mechanisms: 3</li> </ul> <p>*For purposes of this disclosure, EQT defines "significant fine" as a fine equal to or exceeding \$100,000.</p>	

Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Attraction and Retention, Diversity and Inclusion	
	103-2	The management approach and its components	Talent Attraction and Retention, Diversity and Inclusion	
	103-3	Evaluation of the management approach	Talent Attraction and Retention, Diversity and Inclusion	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Attraction and Retention, Diversity and Inclusion; Data Download	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention, Diversity and Inclusion	
	401-3	Parental leave	Talent Attraction and Retention, Diversity and Inclusion	
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety	
	103-2	The management approach and its components	Occupational Health and Safety	
	103-3	Evaluation of the management approach	Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety	
	403-2	Hazard identification, risk assessment and incident investigation	Occupational Health and Safety	
	403-3	Occupational health services	Occupational Health and Safety	
	403-4	Worker participation, consultation and communication on occupational health and safety	Occupational Health and Safety	
	403-5	Worker training on occupational health and safety	Occupational Health and Safety	
	403-6	Promotion of worker health	Talent Attraction and Retention, Diversity and Inclusion	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety	
	403-9	Work-related injuries	Occupational Health and Safety	We are unable to include high-consequence work-related injuries for contractors as we do not currently track contractor recovery times for injuries.
	403-10	Work-related ill health	Occupational Health and Safety	
Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Attraction and Retention, Diversity and Inclusion	
	103-2	The management approach and its components	Talent Attraction and Retention, Diversity and Inclusion	
	103-3	Evaluation of the management approach	Talent Attraction and Retention, Diversity and Inclusion	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Attraction and Retention, Diversity and Inclusion	
	404-3	Percentage of employees receiving regular performance and career development reviews	Talent Attraction and Retention, Diversity and Inclusion	
Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Talent Attraction and Retention, Diversity and Inclusion	
	103-2	The management approach and its components	Talent Attraction and Retention, Diversity and Inclusion	
	103-3	Evaluation of the management approach	Talent Attraction and Retention, Diversity and Inclusion	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Talent Attraction and Retention, Diversity and Inclusion; Corporate Governance	
Local Communities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community Impacts and Safety	
	103-2	The management approach and its components	Community Impacts and Safety	
	103-3	Evaluation of the management approach	Community Impacts and Safety	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impacts assessments and development programs	Community Impacts and Safety	
	413-2	Operations with significant actual and potential negative impacts on local communities	Community Impacts and Safety	

Public Policy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Public Policy and Perception</a>	
	103-2	The management approach and its components	<a href="#">Public Policy and Perception</a>	
	103-3	Evaluation of the management approach	<a href="#">Public Policy and Perception</a>	
GRI 415: Public Policy 2016	415-1	Political contributions	<a href="#">Public Policy and Perception</a>	
Socio Economic Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Community Impacts and Safety</a>	
	103-2	The management approach and its components	<a href="#">Community Impacts and Safety</a>	
	103-3	Evaluation of the management approach	<a href="#">Community Impacts and Safety</a>	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Except as set forth in GRI 307-1 (Non-compliance with environmental laws and regulations), EQT was not subject to any significant fines or non-monetary sanctions in 2019.  *For purposes of this disclosure, EQT defines "significant fine" as a fine equal to or exceeding \$100,000.	
Custom Topic: Landowner Relations				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	<a href="#">Landowner Relations</a>	
	103-2	The management approach and its components	<a href="#">Landowner Relations</a>	
	103-3	Evaluation of the management approach	<a href="#">Landowner Relations</a>	
	Custom	Number of calls and emails received from landowners	<a href="#">Landowner Relations</a>	

# Sustainability Accounting Standards Board (SASB) Index

## SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS – OIL AND GAS EXPLORATION AND PRODUCTION

Topic	Accounting Metric	Response/Location
<b>Greenhouse Gas Emissions</b>	SASB EM-EP-110a.1: Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	<a href="#">Climate and GHG Emissions</a>
	SASB EM-EP-110a.2: Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	<a href="#">Climate and GHG Emissions</a> ; SASB does not include a category for completions with and without fracturing. In 2019, EQT recorded Scope 1 emissions in these categories of 5,351 metric tons CO <sub>2</sub> e. In 2018, these two categories totaled 6,938 metric tons CO <sub>2</sub> e.
	SASB EM-EP-110a.3: Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	<a href="#">Climate and GHG Emissions</a>
<b>Air Quality</b>	SASB EM-EP-120a.1: Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM <sub>10</sub> )	<a href="#">Air Quality</a>
<b>Water Management</b>	SASB EM-EP-140a.1: (1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	<a href="#">Water</a>
	SASB EM-EP-140a.2: Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	<a href="#">Water</a>
	SASB EM-EP-140a.3: Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	100%; see <a href="#">Water</a> for more information.
	SASB EM-EP-140a.4: Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	<a href="#">Water</a>
<b>Biodiversity Impacts</b>	SASB EM-EP-160a.1: Description of environmental management policies and practices for active sites	<a href="#">Biodiversity and Land Impacts</a>
	SASB EM-EP-160a.2: Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	<a href="#">Spills</a>
	SASB EM-EP-160a.3: Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	<a href="#">Biodiversity and Land Impacts</a>
<b>Security, Human Rights and Rights of Indigenous Peoples</b>	SASB EM-EP-210a.1: Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EQT does not have any reserves in or near areas of conflict.
	SASB EM-EP-210a.2: Percentage of (1) proved and (2) probable reserves in or near indigenous land	To our knowledge, EQT does not have any reserves in or near indigenous land.
	SASB EM-EP-210a.3: Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EQT does not operate in areas of conflict.

<b>Community Relations</b>	SASB EM-EP-210b.1: Discussion of process to manage risks and opportunities associated with community rights and interests	<a href="#">Community Impacts and Safety</a>
	SASB EM-EP-210b.2: Number and duration of non-technical delays	<a href="#">Community Impacts and Safety</a> ; EQT's operations are subject to numerous regulatory and permitting requirements. We strive to account for potential delays in obtaining regulatory and permitting approvals or similar non-technical factors, in our scheduling process. In 2019, none of EQT's operations were stopped or delayed due to unanticipated non-technical factors.
<b>Workforce Health and Safety</b>	SASB EM-EP-320a.1: (1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	<a href="#">Occupational Health and Safety</a>
	SASB EM-EP-320a.2: Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	<a href="#">Occupational Health and Safety</a>
<b>Reserves Valuation &amp; Capital Expenditures</b>	SASB EM-EP-420a.1: Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	EQT has not conducted scenario analysis on this subject. While the U.S. Congress has from time to time considered legislation to reduce emissions of GHGs, there has not been significant activity in the form of federal legislation in recent years. Presently, none of West Virginia, Ohio and Pennsylvania (our primary operating areas) regulate GHG emissions or have a cap-and-trade program, although it is possible that any of these states may do so in the future. This could result in increased operating costs if our customers are required to purchase emission allowances.  We intend to mitigate this risk by operating highly efficient wells in contiguous areas through the implementation of our combo-development strategy. Additionally, the substantial majority of our production is natural gas, which has low carbon emissions compared to oil, diesel and coal. We are active participants in the ONE Future Coalition (ONE Future) and The Environmental Partnership, both of which seek to improve the oil and gas industry's environmental performance. ONE Future has set goals for the methane emissions leakage rate for the overall industry at below 1% and below 0.28% for the production "upstream" sector. Historically, we have significantly outperformed the production sector target for methane emissions.
	SASB EM-EP-420a.2: Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	242,662 metric tons
	SASB EM-EP-420a.3: Amount invested in renewable energy, revenue generated by renewable energy sales	At certain of our sites, we either use solar technology to generate power or capture natural gas from the field to power fuel cells, generating on-site energy. We do not currently track the amount of energy produced by these means as it is only used in remote locations and on a limited basis.
	SASB EM-EP-420a.4: Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	<a href="#">Sustainable Value Creation</a>
	<b>Business Ethics and Transparency</b>	SASB EM-EP-510a.1: Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index
	SASB EM-EP-510a.2: Description of the management system for prevention of corruption and bribery throughout the value chain	<a href="#">Ethics and Integrity</a>
<b>Management of the Legal &amp; Regulatory Environment</b>	SASB EM-EP-530a.1: Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	<a href="#">Public Policy and Perception</a>
<b>Critical Incident Risk Management</b>	SASB EM-EP-540a.2: Description of management systems used to identify and mitigate catastrophic and tail-end risks	<a href="#">Community Impacts and Safety</a>

## ACTIVITY METRICS

Activity Metric	Response/Location
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	<a href="#">Corporate Profile</a> ; EQT did not produce any synthetic natural gas or synthetic oil in 2019.
Number of offshore sites	EQT does not operate any offshore sites.

# Disclosing the Facts

## INDICATORS

Indicator	Response/Location
1) Well Evaluation	<a href="#">Water — see Monitoring Impacts</a>
2) Well Integrity	<a href="#">Water — see Monitoring Impacts</a>
3) Near Misses	<a href="#">Occupational Health and Safety — see How We Are Doing</a>
4) Offset Well Assessment	<a href="#">Water — see Hydraulic Fracturing and Monitoring Impacts</a>
5) Avoiding Induced Seismic Activity	<a href="#">Water — see Wastewater Management</a>
6) Pre-drill H2O Monitoring	<a href="#">Water — see Monitoring Impacts</a>
7) Post-drill H2O Monitoring	<a href="#">Water — see Monitoring Impacts</a>
8) Evaluating Water Scarcity	<a href="#">Water — see Water Withdrawals</a>
9) Total Water Use	<a href="#">Water — see How We Are Doing</a>
10) Freshwater and Non-freshwater Use	<a href="#">Water — see How We Are Doing</a>
11) Water Source Types	<a href="#">Water — see How We Are Doing</a>
12) Wastewater Use	<a href="#">Water — see How We Are Doing</a>
13) Reducing Fresh water	<a href="#">Water — see Wastewater Management</a>
14) Wastewater Volume	<a href="#">Water — see How We Are Doing</a>
15) Wastewater Storage Methods	<a href="#">Water — see Monitoring Impacts</a>
16) Wastewater Storage Safeguards	<a href="#">Water — see Monitoring Impacts</a>
17) Drilling Residuals	EQT's drill mud and cuttings are processed using solids control equipment that efficiently separate drilling fluids from solids. Drying agents then remove any residual moisture, and the dried cuttings are stored in containers and transported by truck to landfills that are pre-approved to accept these solids in their permitted disposal cells. EQT continues to improve the efficiency of its solids management program by using higher efficiency systems that create better separation of drilling fluid and drill cuttings, reducing the overall weight of the disposed product. Using more effective drying agents decreases the amount of agents needed, which also decreases the weight of the disposed product.
18) NORM	EQT actively reviews whether new processes will generate naturally occurring radioactive materials (NORM).
19) Managing Inactive Wells	<a href="#">Biodiversity and Land Impacts — see Decommissioning and Inactive Sites</a>
20) Use of Waste Products	<a href="#">Water — see Wastewater Management</a> . EQT continues to evaluate minimization and beneficial reuse options for our waste products from both an environmental and economic standpoint. Currently, reuse of our wastewater is only used for hydraulic fracturing operations.
21) Toxicity Reduction	<a href="#">Water — see Hydraulic Fracturing</a>
22) CBI Disclaimer	EQT is evaluating the potential implementation of dry friction reducer in its fracturing operations; however, we currently do not use any dry hydraulic fracturing chemicals in our operations.
23) Eliminating BTEX	EQT does not currently use any benzene, toluene, ethylbenzene, and xylenes (BTEX) chemicals in its completions operations.
24) CBI Disclaimer	<a href="#">Water — see Hydraulic Fracturing</a>
25) Reducing CBI Claims	<a href="#">Water — see Hydraulic Fracturing</a>