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February 4, 2020

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: *Hess Corporation*
Omission of Shareholder Proposal Submitted by As You Sow
Securities Exchange Act of 1934 – Rule 14a-8

On behalf of our client, Hess Corporation, a Delaware Corporation (the "**Company**"), we are writing this letter to inform you that the Company intends to omit from its proxy statement and form of proxy for its 2020 Annual Meeting of Shareholders (collectively, the "**2020 Proxy Materials**") a shareholder proposal and related supporting statement (together, the "**Proposal**") received from As You Sow on behalf of Park Foundation, Inc. and Brian Patrick Kariger Revocable Trust, as proponents (the "**Proponents**") for inclusion in the 2020 Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D (November 7, 2008) ("**SLB 14D**"), we are submitting this letter and its attachments to the Staff of the Division of Corporation Finance (the "**Staff**") via e-mail at shareholderproposals@sec.gov and the undersigned has included his name and telephone number both in this letter and the cover email accompanying this letter. In accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), we are submitting this letter to the U.S. Securities and Exchange Commission (the "**Commission**") no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials, and a copy of this submission is being sent simultaneously to the Proponents, as notification of the Company's intention to omit the Proposal from its 2020 Proxy Materials. We hereby request confirmation from the Staff that it will not recommend any enforcement action if the Company omits the Proposal in reliance on Rule 14a-8 from the 2020 Proxy Materials. This letter includes the Company's statement of the reasons it deems the omission of the Proposal to be proper.

We take this opportunity to inform the Proponents that if they elect to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company in accordance with Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal states:

> **Resolved**: Shareholders request that Hess Corporation issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2 degrees Celsius.

A copy of the Proposal and related correspondence is attached to this letter as Exhibit A.

BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur with our view that the Proposal may be excluded from the 2020 Proxy Materials pursuant to:

- Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal; and
- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

ANALYSIS

I. The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Proposal

A. Introduction

We believe the Company has substantially implemented the Proposal with its existing public disclosures. We respectfully request that the Staff concur with our view that the Proposal may be excluded pursuant to Rule 14a-8(i)(10). The Company has published, and continues to publish, information about climate change and the Company's plans to reduce its contribution to climate change that address the primary goals of the report requested in the Proposal. Although the Company's prior public disclosures were not made in precisely the manner contemplated by the Proponents, the Proposal is excludable because the essential disclosure objective of the Proposal has already been the topic of existing disclosures by the Company.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was "designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." Exchange Act Release No. 12598 (Jul. 7, 1976). When a company can demonstrate that it has taken actions to address the elements of a shareholder proposal, the Staff has concurred that the proposal has been "substantially implemented" and may be excluded as moot. *See, e.g., Dominion Resources, Inc.* (Feb. 9, 2016); *Exxon Mobil Corp.* (Mar. 17, 2015); *Deere & Company* (Nov. 13, 2012); *Exxon Mobil Corp.* (Mar. 23, 2009); *Exxon Mobil Corp.* (Jan. 24, 2001); and *The Gap, Inc.* (Mar. 8, 1996). The Staff has noted that "a determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc*. (Mar. 28, 1991).

In applying Rule 14a-8(i)(10), the Staff has consistently concurred with the exclusion of shareholder proposals that, like the Proposal, request a report containing information that the company has already publicly disclosed. In the case at hand, the essential disclosure objectives of the Proposal were previously disclosed by the Company through its annual Sustainability Report and periodic investor presentations, and in its response to the CDP Climate Change Questionnaire, each of which is publicly available and described below. In 2019, the Staff allowed the Company to exclude a proposal requesting a report on how the Company can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal because the Company's public disclosures compared favorably with the guidelines of the proposal. *See Hess Corp.* (Apr. 11, 2019). Even though the Company's prior public disclosure was not made in precisely the manner contemplated by the proponent, that proposal was still excludable. This is similar to the Proposal insofar as the Proposal is also seeking disclosure that is not precisely that which has previously been disclosed. *See also AutoZone, Inc.* (Oct. 9, 2019) (concurring with the exclusion under Rule 14a-8(i)(10) of a stockholder proposal requesting the board prepare a report relating to Sustainability Accounting Standards Board standards where portions from the company's annual report on Form 10-K and other disclosures across various parts of its website compared favorably with the guidelines of the proposal); *Exxon Mobil Corporation* (Mar. 29, 2019) (concurring in the exclusion of a proposal that requested a report on how the company's business activities contribute to the provision of affordable, reliable, sustainable and modern energy to alleviate energy poverty, in alignment with the Paris Agreement goal to limit global average temperature increases to well below 2 degrees Celsius above pre-industrial levels, by stating that the company's public disclosures compare favorably with the guidelines of the proposal); *Exxon Mobil Corporation* (Mar. 23, 2018) (concurring in the exclusion of a proposal that requested a report "describing how the company could adapt its business model to align with a decarbonizing economy by altering its energy mix" to substantially reduce societal greenhouse gas emissions and protect shareholder value when the company made various statements about its efforts to adapt to a lower-carbon environment in two different disclosure documents); *Dominion Resources, Inc.* (Feb. 19, 2015) (concurring in the exclusion of a proposal requesting a report on the company's effort to reduce environmental hazards associated with its coal ash disposal and storage operations and how those efforts may reduce legal, reputational, and other risks to the company's finances when the company had published a report that focuses on and makes disclosures regarding the risks associated with coal ash disposal and storage operations); *Entergy Corp.* (Feb. 14, 2014) (concurring in the exclusion of a proposal that requested a report on additional near-term actions to reduce its greenhouse gas emissions, when the company had already made numerous public disclosures on such topic; and *The Dow Chemical Co.* (Mar. 5, 2008) (concurring in the exclusion of a proposal that requested a "global warming report" that discussed how the company's efforts to ameliorate climate change may have affected the global climate when the company had already made various statements about its efforts related to climate change, which were scattered throughout various corporate documents and disclosures).

Additionally, a company does not need to implement a proposal in exactly the manner set forth by the proponent. *See* Exchange Act Release No. 40018 (May 21, 1998) (the "**1998 Release**"). The Staff has been willing to grant no-action relief under Rule 14a-8(i)(10) when a company has satisfied the "essential objective" of a proposal, even if the company did not take the exact action requested by the proponent, did not implement the proposal in all details or exercised discretion in determining how to implement the proposal. In *Exxon Mobil Corporation* (Apr. 3, 2019), the Staff concurred with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions necessary to achieve the Paris Agreement's goal of maintaining global warming well below 2 degrees Celsius given that Exxon's previously issued report provided details on the company's GHG emission reduction efforts and addressed many, but not necessarily all, of the requests in the proposal's supporting statement. Similarly, in *Mondelez*

International, Inc. (Mar. 7, 2014), the Staff concurred with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board produce a report on the company's process for identifying and analyzing potential and actual human rights risks in the company's operations and supply chain, where the company already disclosed its risk management process and the framework it used to assess potential human rights risks. The facts described in *Exxon Mobil Corporation* and *Mondelez International, Inc.* are very similar to the Proposal because the proposals in both cases sought more specific disclosure than what had been previously disclosed. However, in such cases and the case at hand, the exclusion is appropriate because the broader essential objective had already been the topic of an existing disclosure. *See also PNM Resources Inc.* (Mar. 30, 2018) (concurring in the exclusion of a proposal requesting a report identifying which of the company's generation assets might become stranded due to global climate change, where the company disclosed all of its generation assets but declined to identify which were at risk for becoming stranded, noting that such determination is ultimately decided by the state regulator); *Pfizer Inc.* (Jan. 11, 2013, *recon. denied* Mar. 1, 2013) (concurring in the exclusion of a proposal requesting that the board issue a report detailing measures implemented to reduce the use of animals and specific plans to promote alternatives to animal use, where the company cited its compliance with the Animal Welfare Act and published a two-page "Guidelines and Policy on Laboratory Animal Care" on its website); and *Exelon Corp.* (Feb. 26, 2010) (concurring in the exclusion of a proposal that requested a report on different aspects of the company's political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided "an up-to-date view of the [c]ompany's policies and procedures with regard to political contributions").

The core of the Proposal, or its "essential objective," is that the Company produce a report on if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the goal of maintaining global warming below the 2° C Goal (described below) set by the Paris Agreement. The Company has addressed the primary concerns of the Proposal as described in: (i) its most recent Sustainability Report[1] (the "**2018 Sustainability Report**"), which is prepared in accordance with the Global Reporting Initiative's Standards at the Core reporting level, (ii) its response to the 2019 CDP Climate Change Questionnaire[2] (the "**CDP Questionnaire**" and, together with the 2018 Sustainability Report, the "**Reports**") and (iii) its 2020 Goldman Sachs Energy Conference Presentation from January 7, 2020[3] (the "**2020 Investor Presentation**" and, together with the Reports and various other materials on the Company's website, the "**Public Disclosures**").

As demonstrated in the table below, the Public Disclosures substantially implement the requests in the Proposal, including the "essential objective" in the Resolution and the statements in the Supporting Statement, which address the Company's plans to reduce its contribution to climate change, including, but not limited to, the Company's climate change strategy and business plan, specific emission reduction targets and the progress the Company has made. A more detailed discussion of the disclosures contained in the Public Disclosures follows the table below.

Proposal Request to "reduce its total contribution to climate change and align its operations and investments with the well below 2° C Goal"

Hess' Initiatives Aligned with the Essential	Relevant Public Disclosures

[1] https://www.hess.com/docs/default-source/sustainability/hess-2018-sustainability-report.pdf?sfvrsn=11cd7b6b_2

[2] https://www.hess.com/docs/default-source/sustainability/hess-cdp-final.pdf?sfvrsn=c99d786b_10

[3] https://www.hess.com/docs/default-source/investor-decks/2020-goldman-sachs-energy-conference.pdf?sfvrsn=d94e746b_2

Objective of the Proposal	
Five-pronged Climate Change Strategy in support of the aim of the Paris Agreement	• 2018 Sustainability Report, page 39 • CDP Questionnaire, Question C2.2d
Targets on reducing GHG emissions, methane and flaring	• 2018 Sustainability Report, pages 46, 48, 51
Emission reduction initiatives in support of the Company's GHG emission and flaring intensity reduction targets	• 2018 Sustainability Report, pages 48-51 • CDP Questionnaire, Questions C-OG4.8, C2.5 • 2020 Investor Presentation, slides 3-4 • 2018 Investor Day Presentation from December 12, 2018 (the "**2018 Investor Day Presentation**"), "Guyana Development," Richard Lynch, slide 37[4] • hess.com/sustainability/climate-change-energy/emission-reduction-initiatives
Reducing operational flaring and emissions	• CDP Questionnaire, Questions C2.4a, C-OG4.8 • 2018 Sustainability Report, pages 48-49
Portfolio transformation to support low-carbon strategy	• 2020 Investor Presentation, slides 3-4
Factoring carbon costs for new investments	• 2018 Sustainability Report, pages 14, 41-44 • CDP Questionnaire, Questions C1.2a, C11.3a
Using risk scenarios based on the Paris Agreement to qualitatively assess any potential risk (including those related to climate change) and opportunities associated with its portfolio of assets	• 2018 Sustainability Report, pages 40, 42-45 • CDP Questionnaire, Questions C2.2b, C3.1d
Entering into strategic partnerships to reduce emissions	• CDP Questionnaire, Question C12.1c
Seeking opportunities to promote energy efficiency where feasible	• 2018 Sustainability Report, pages 49-50

B. The Reports Describe the Company's Strategy for Reducing Its Contribution to Climate Change by Reducing Its GHG Emissions Pursuant to, and Aligning Its Operations and Investments with, the Paris Agreement, Which Satisfies the "Essential Objective" of the Proposal

The Reports unequivocally state the Company's position on climate change: The Company supports the aim of the Paris Agreement to limit global average temperature rise to well below 2°C (the "**well below 2° C Goal**") and the Company's Board of Directors (the "**Board**") and senior leadership have set aggressive targets for greenhouse gas ("**GHG**") emission reductions.[5]

The Reports describe the Company's five-pronged climate change strategy that would prepare the Company to operate in a lower carbon environment by lowering GHG emissions in alignment with the well below 2° C Goal (the "**Climate Change Strategy**"):

- setting and disclosing targets to reduce the carbon intensity of the Company's operations;

[4] https://investors.hess.com/static-files/02315a35-fe12-475b-82d1-0760c99e26a3

[5] 2018 Sustainability Report, page 39

- applying technological innovation and efficiency to decrease energy use and GHG emissions across the Company's operations;
- accounting for the cost of carbon in significant new investments;
- incorporating carbon risk scenario analysis into its business planning cycle; and
- working with government and industry partners to advance the development of a range of low-GHG emissions pathways, including technological advancements.[6]

The Reports also disclose, as requested by the Proposal, how the Company is implementing its Climate Change Strategy:

- *Targets*. The Reports describe the following key targets to reduce emissions:
    - a reduction in the Company's GHG emissions intensity by 25% for its 2014 portfolio of operated assets by 2020 (versus a 2014 emissions baseline);
    - a reduction in flaring emissions intensity by 50% for its 2014 portfolio of operated assets by 2020 (versus a 2014 emissions baseline); and
    - a reduction in methane emissions to less than 0.47% across the Company's U.S. onshore upstream operations by 2025.[7]

- *Progress.* The Company has disclosed its progress in meeting these targets through 2018, including:
    - a 17% reduction in GHG emissions intensity compared to the Company's 2014 baseline, keeping the Company on track to achieve its 25% reduction target for 2020;[8] and
    - a 41% reduction in flaring emissions intensity compared to the Company's 2014 baseline, keeping the Company on track to achieve its 50% reduction target for 2020.[9]

- *Carbon Asset Risk Assessment in alignment with the well below 2° C Goal*. The Reports describe how the Company incorporates climate-related scenario analysis, which includes scenarios based on the well below 2° C Goal set forth in the Paris Agreement, into its Climate Change Strategy and its long-term business strategy described in the 2020 Investor Presentation.[10]

    The Company has incorporated the well below 2° C Goal into its carbon asset risk analysis. The 2018 Sustainability Report describes two key climate-related scenarios: the New Policies ("**NP**") Scenario and the Sustainable Development ("**SD**") Scenario, as developed and published by the globally recognized International Energy Agency (the "**IEA**") in their World Energy Outlook as a way of exploring different possible global futures, the levers that could bring them about, and the interactions that arise across a complex energy system. The NP Scenario includes existing energy policies as well as policies and targets announced by governments, most notably the Nationally Determined Contributions, a key component of the Paris Agreement, and is considered by both

[6] 2018 Sustainability Report, page 39

[7] 2018 Sustainability Report, pages 46, 51

[8] 2018 Sustainability Report, page 47

[9] 2018 Sustainability Report, page 48

[10] CDP Questionnaire, Questions C3.1, C3.1a, C3.1c, C3.1d; 2020 Investor Presentation, slides 3-4

the Company and the IEA to be the central scenario.[11] The SD Scenario is a more challenging alternative, consistent with the direction needed to achieve the objectives of the well below 2° C Goal,[12] but nevertheless assumes increasing demand for hydrocarbons and further investment in the oil and gas sector. As noted in the CDP Questionnaire, the Company does not change any of the assumptions or inputs in the IEA's scenarios before using them to qualitatively assess any potential risk and opportunities associated with its portfolio of assets.[13]

The IEA's SD Scenario requires an ambitious 21% reduction in carbon intensity by 2030 in order to be consistent with the Paris Agreement's well below 2° C Goal.[14] This 21% carbon intensity reduction figure is derived from the SD scenario's carbon dioxide ("**CO2**") emissions divided by primary world energy demand in 2030 versus 2017. With respect to the Company's 25% target for reduction in its GHG emissions intensity, the Reports note that the Company's target is aligned with the reductions assumed necessary by the IEA in its challenging SD Scenario, the latter which incorporates and is fully aligned with the Paris Agreement's well below 2° C Goal.[15]

- *Carbon Costs for New Investments*. The Reports describe how the Company applies a theoretical carbon price of $40 per ton of carbon dioxide in its economic evaluations for significant new projects.[16] In addition, as part of the Company's annual portfolio-specific scenario planning exercise, the Company applies the IEA's carbon prices, which range up to $140 per tonne as an established component of its planning cycle.[17]

- *Reduce Energy Use, Waste and Emissions*. The Reports disclose that the Company tracks and monitors air emissions at each of its assets and undertakes a variety of emission reduction initiatives that are described more fully below, such as the $3 billion investment in midstream infrastructure to reduce flaring in its North Dakota operations and the implementation of a leak detection and repair program to limit methane emissions.[18]

As described above, the Company has adequately described its plans to, and how it plans to, continue to reduce its contribution to climate change and align its operations and investments with the well below 2° C Goal by disclosing its strategy for setting targets to reduce the carbon intensity of the its operations, applying technological innovation and efficiency to decrease energy use and GHG emissions across its operations, incorporating carbon asset risk assessments and accounting for carbon costs for new investments, and explaining in these disclosure documents how it has factored the well below 2° C Goal into its Climate Change Strategy. In addition, the Company is currently undertaking a strategy refresh to update its emission reduction targets, the result of which will be disclosed in a future sustainability report. For these reasons, the Company has substantially implemented the Proposal's "essential objective."

C. The Reports Address Other Aspects of the Proposal

[11] 2018 Sustainability Report, pages 42-45

[12] 2018 Sustainability Report, page 44, CDP Questionnaire, Question C3.1d

[13] CDP Questionnaire, Question C3.1d

[14] 2018 Sustainability Report, pages 41, 46, CDP Questionnaire, Question C3.1c

[15] 2018 Sustainability Report, pages 41, 46, CDP Questionnaire, Question C2.6

[16] 2018 Sustainability Report, pages 14, 41, 44; CDP Questionnaire, Questions C2.2b, C11.3a

[17] 2018 Sustainability Report, page 40; CDP Questionnaire, Question C11.3a

[18] 2018 Sustainability Report, page 49; CDP Questionnaire, Questions C2.5, C-OG4.7 and C-OG4.8

In addition to addressing the "essential objective" of the Proposal in its disclosure, the Company has also addressed other aspects of the Proposal in its disclosures, as described in the sections below.

1. *The Reports Disclose the Company's Considerations regarding GHG Emission Reduction Targets*

The Supporting Statement of the Proposal requests that the Company disclose relative benefits and drawbacks of adopting "greenhouse gas emission reductions targets for the company's full carbon footprint, inclusive of product-related emissions." As described above, the Reports disclose that the Company has considered and incorporated climate-related scenario analysis, which includes scenarios based on the well below 2° C Goal set forth in the Paris Agreement, into its Climate Change Strategy and its long-term business strategy. In addition, the Company has already disclosed GHG reduction targets as described in Section I.B herein.

The Reports also explain the Company's considerations regarding targets on product-related (Scope 3) emissions. As disclosed in the Reports, Scope 3 GHG emissions are those generated from corporate value chain activities that are not accounted for and reported in the Company's Scope 1 and Scope 2 emissions.[19] The Company completed divestment of all downstream operations, including refining, terminals and retail operations, and became a "pure play" exploration and production ("**E&P**") company in 2014, focusing solely on the exploration and production of crude oil and natural gas, with *no* downstream energy marketing operations.[20] Unlike Shell and the other fully integrated oil companies identified in the Proposal that are in the position to offer a full range of energy products and services to third-party customers, the Company has no direct control over Scope 3 emissions. The Reports nevertheless disclose data regarding the Company's Scope 3 emissions, with a reduction of combined Scope 1, 2 and 3 CO_2e emissions by 62% over the past 11 years.[21] In addition, as described below, the Company is investing in emission-reducing technologies and other scientific solutions which, if successful, will have the effect of mitigating the Company's contribution to climate change.

2. *The Reports Disclose How the Company Has Reduced Capital Investments in High-cost, High-carbon Assets and Increased Capital Expenditures for, and Investments in, Sustainable Technologies, Initiatives and Partnerships to Develop Its Lower-cost Assets, Consistent with the Well Below 2° C Goal*

The Supporting Statement of the Proposal requests that the Company disclose relative benefits and drawbacks of "reducing non-Paris aligned capital investments in oil and/or gas resource development" and "investing at scale in low-carbon energy or other greenhouse gas emission reduction measures," which are adequately addressed in the Reports. The Reports disclose that, in support of its GHG emission intensity reduction target to align with the well below 2° C Goal, the Company tracks and monitors air emissions at each of its assets and undertakes a variety of emission reduction initiatives, with a focus on opportunities that are technically and economically feasible.[22] The Reports give ample examples of actions taken pursuant to these initiatives and plans implemented to reduce the Company's energy consumption and carbon emissions and increase the use of alternative energy in the Company's operations.

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19 CDP Questionnaire, page 36

20 CDP Questionnaire, page 36

21 2018 Sustainability Report, page 47

22 2018 Sustainability Report, page 48

- *Over $3 billion invested in midstream infrastructure in North Dakota to increase gas capture rates.* Between 2012 and 2018, the Company has invested more than $3 billion in midstream infrastructure in North Dakota to capture and monetize natural gas produced from its operations and reduce flaring.[23] In addition, in 2019, Hess Midstream LP (a consolidated subsidiary of the Company) commenced startup of a new joint venture gas processing plant called Little Missouri Four in North Dakota and announced plans to expand natural gas processing capacity at the Tioga Gas Plant which is expected to further reduce flaring and emissions in the Bakken.[24]

- *Investing in emissions-reducing technologies*. The Company has a strategic partnership with GTUIT, a manufacturer and operator of gas capture and gas liquids extraction equipment, for its North Dakota assets. In 2018, more than 420 MMSCF of gas flaring was avoided and CO_2e emissions were reduced by an estimated 37,378 tonnes.[25]

- *Avoiding natural gas flaring emissions in Guyana.* The Company's developments offshore Guyana have been designed to avoid operational flaring and reinject associated gas back into the underground reservoirs which is expected to reduce the carbon footprint of this asset.[26]

- *Investing in renewable energy*. Approximately 27% of the Company's purchased electricity in 2018 was generated from renewable sources, primarily wind power. The Company also purchased renewable energy certificates equivalent to approximately 12% of its purchased electricity in 2018, in line with the Company's goal to purchase renewable energy certificates equal to or greater than 10% of the net electricity used in its operations annually since 2007. With the renewable energy certificates included, approximately 39% of the Company's overall indirect energy use came from renewable sources in 2018. The Company has committed to purchasing renewable energy certificates equivalent to 100% of the net electricity used in its operations in 2019.[27]

- *Carbon Offsets*. The Company has purchased carbon credits annually since 2010 to offset 100% of its Scope 3 business travel emissions (approximately 3,200 tonnes in 2018). As a result of reduced employee travel, the CO_2e amount for such emissions in 2018 was down approximately 30% compared to in 2017.[28] The Company has also increased this commitment by also offsetting 100% of its Scope 1 emissions associated with operating the company's truck fleet, aviation activities (aircraft and helicopters) and personal and rental vehicle miles driven while on Company business (approximately 11,800 tonnes in 2018). In 2018, the Company purchased 15,000 tonnes of carbon credits from First Climate Markets AG, for the retirement of offsets related to a third-party landfill gas recovery project in Ohio. This contribution offset 100% of the GHG emissions the Company estimated were generated from its business travel and its company-operated truck fleet in 2018 (Scopes 1 and 3).[29]

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[23] 2018 Sustainability Report, page 43; CDP Questionnaire, Question C2.4a

[24] CDP Questionnaire, Question C12.1c; the Company's press release (April 25, 2019) Hess Midstream Partners Announces Plan to Expand Natural Gas Processing Capacity, available at: https://hessmidstream.gcs-web.com/news-releases/news-release-details/hess-midstream-partners-announces-plan-expand-natural-gas

[25] 2018 Sustainability Report, pages 49-50

[26] CDP Questionnaire, Question C2.5

[27] 2018 Sustainability Report, page 50; http://www.hess.com/sustainability/climate-change-energy/energy-use

[28] 2018 Sustainability Report, page 48

[29] *Id*.

- *Investing in scientific solutions to mitigate climate change*. The Company is investing in a leading research project to use the global and vast scale of agriculture to achieve carbon removal at a potential magnitude in the Gigatons of carbon per year. This research and development initiative is being led by prominent biologists and chemists in the field of plant genetics and biochemistry who are seeking to advance the process to enhance the natural abilities of plants to store CO2.

- *Reducing diesel consumption in North Dakota*. In 2018, the Company doubled the use of flexible hose to transport freshwater to drill sites, eliminating 600,000 gallons of diesel use in trucks. In addition, by converting onshore drilling rigs from diesel engines to bi-fuel natural gas/diesel engines, converting boilers to operate exclusively on natural gas during winter operations and transporting freshwater by hose directly from the water source to the Company's wells, instead of using trucks, the Company reduced GHG emissions by another 6,099 tonnes.[30]

- *Reducing methane emissions with LDAR program.* The Company spends approximately $3 million per year to operate a Leak Detection and Repair program at 100% of its total on-shore operated assets with methane emissions.[31]

- *Portfolio transformation to support low-carbon strategy*. In 2017, the Company divested high cost, lower margin assets, including assets in Norway and Equatorial Guinea, which supported the Company's low-carbon strategy. These portfolio changes follow the Company's transformation in 2014 into a "pure play" E&P company, when the Company divested its downstream retail and refining operations.[32]

As described above, the Company has adequately disclosed its strategy for investing at scale in low-carbon energy and making capital investments in cleaner, emissions-reducing technology to support its operations and align with the Paris Agreement.

3. *The Reports Disclose the Company's Approach to Preparing for a Lower-carbon Future*

The Reports disclose that the Company's strategy is premised on lower-carbon oil and natural gas being a critical and material component of bridging to a lower-carbon environment.[33] While not a low-carbon energy resource, natural gas produces about half of the GHG emissions compared to coal in electricity generation and is a lower-carbon energy alternative. As explained below, the Company has made a business decision to focus on developing its oil and natural gas assets, after full consideration of some of the most ambitious GHG reduction scenarios from the IEA, in order to both maximize value for its shareholders and prepare for a transition to a lower-carbon energy economy.[34]

The Company's reasoning is clearly stated in the Reports. The Company has evaluated various sustainability risks and global scenarios, including the NP and SD Scenarios—the IEA's ambitious GHG reductions scenarios described above—and has concluded that by investing in oil and natural gas today, it will be in position to create long-term value for its shareholders while bridging the way to a lower-carbon

[30] CDP Questionnaire, Question C2.4a

[31] 2018 Sustainability Report, page 51; CDP Questionnaire, Question C-OG4.7

[32] 2018 Investor Day Presentation, "Portfolio & Capabilities," Greg Hill, slide 16

[33] 2018 Sustainability Report, page 42

[34] 2018 Sustainability Report, pages 42-45; CDP Questionnaire, Question C3.1d

environment.[35] As described above, neither of the IEA Scenarios envision a future energy economy free from the use of fossil fuel resources and even the SD Scenario, which incorporates the Paris Agreement's well below 2° C Goal, assumes that 48% of the energy used in 2040 will be from oil and gas, down modestly from 54% today.[36] Importantly, these scenarios require additional investment in oil and gas projects. Furthermore, the IEA has reported that global investment in oil and natural gas has fallen short in recent years, projecting a possible shortage of supply in the future.[37]

As described in the 2020 Investor Presentation and the 2018 Investor Day Presentation, the Company's long-term strategy is to exploit this recent pattern of underinvestment and develop its lower cost oil and natural gas assets in order to meet the shortage projected by the IEA, a strategy which is fully consistent with the NP and SD Scenarios and the Paris Agreement's well below 2° C Goal. The Company will be spending approximately 75% of its capital expenditures through 2025 on developing its growth assets in Guyana and North Dakota, taking measures to reduce its carbon footprint by investing in the various initiatives, partnerships and technologies described above.[38] As discussed above, in line with its long-term strategy, the Company has invested significant time and capital on initiatives to reduce GHG emissions in its existing operations and developing new assets with the goal of further reducing emissions.

The analysis underlying the Public Disclosures demonstrates that the Company has substantially implemented the Proposal by satisfying its essential objective and addressing other points in the Proposal. Specifically, the Company, through its Public Disclosures, has provided, and intends to continue to provide (in particular in its Sustainability Report, which has been updated on an annual basis, in part to address certain specific concerns communicated to the Company by its shareholders) analysis of its efforts to reduce its contribution to climate change and align its operations and investments with the well below 2° C Goal. In fact, the Company's transparency through its public disclosures and environmental performance has been recognized by several third-party survey rankings. For example, the Company has been named to Dow Jones Sustainability Index North America for the tenth consecutive year[39], and has been recognized as a leader in CDP's Global Climate Change Report for the eleventh consecutive year.[40] We believe the Company has substantially implemented the Proposal with its existing public disclosures. We respectfully request that the Staff concur with our view that the Proposal may be excluded pursuant to Rule 14a-8(i)(10).

II. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Micro-Manages the Company and Concerns the Products and Services Offered by the Company and Therefore Deals With Matters Related to the Company's Ordinary Business Operations

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business" operations. According to the 1998 Release, which accompanied the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law

[35] 2018 Sustainability Report, pages 42-45; CDP Questionnaire, Question C3.1d

[36] 2018 Sustainability Report, page 43; CDP Questionnaire, Question C2.2b

[37] 2018 Sustainability Report, pages 42-45

[38] 2020 Investor Presentation, slides 3-4

[39] https://investors.hess.com/news-releases/news-release-details/hess-named-dow-jones-sustainability-index-djsi-north-america-1

[40] https://investors.hess.com/news-releases/news-release-details/hess-corporation-recognized-leader-cdps-global-climate-change

concept providing management with flexibility in directing certain core matters involving the company's business and operations."

In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two "central considerations" for ordinary business exclusion. The first is that certain tasks are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration relates to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id*. (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). According to the 1998 Release, a proposal may do this if it "involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." The Proposal is properly excludable from the 2020 Proxy Material, as the Proposal's underlying subject matter relates to the Company's ordinary business operations and the Proposal attempts to micro-manage the Company by probing the matters of a complex nature that are the appropriate responsibility of the Company's management and the Board. As described below, this is supported by a review and assessment undertaken by the Corporate Governance and Nominating Committee (the "**Committee**") and past no-action letters of the Commission.

A. The Proposal Seeks to Micro-Manage the Company by Imposing Specific Methods to Implement Complex Policies

In light of Staff Legal Bulletin 14I (Nov. 1, 2017) and Staff Legal Bulletin 14J (Oct. 23, 2018) ("**SLB 14J**"), the Company considered and analyzed the Proposal's significance in relation to the Company and determined that the Proposal touches on matters squarely within the realm of ordinary business operations best overseen by Company management. In a meeting held on February 4, 2020, and over the course of its prior discussions, the members of the Committee considered with management the matters identified by SLB 14J. The Company's management concluded and the Committee supported that, while the Company is committed to reducing its contribution to climate change and aligning its operations and investments with the well below 2° C Goal, the Proposal micro-manages the Company in an area of ordinary business operations where the shareholders, as a group, would be ill-suited to make an informed decision.

In SLB 14J, the Staff explained that the exclusion based on micromanagement "also applies to proposals that call for a study or report" and further stated that it "would, consistent with Commission guidance, consider the underlying substance of the matters addressed by the study or report" to determine whether a proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies. For example, the Staff noted that "a proposal calling for a report may be excludable if the substance of the report related to the imposition or assumption of specific timeframes or methods of implementing complex policies." Further, according to the Staff Legal Bulletin No. 14K (Oct. 16, 2019) ("**SLB 14K**"), "when analyzing a proposal to determine the underlying concern or central purpose of any proposal," the Staff looks "not only to the resolved clause but to the proposal in its entirety." Therefore, "if a supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve the proposal's central purpose as set forth in the resolved clause," the Staff "takes that into account in determining whether the proposal seeks to micromanage the company." The Staff has consistently agreed that proposals attempting to micro-manage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment are excludable under Rule 14a-8(i)(7). *See Exxon Mobil Corp.* (Apr. 2,

2019) (permitting exclusion under Rule 14a-8(i)(7) on basis of micromanagement of a proposal requesting an annual reporting from 2020, to include disclosure of short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2 degrees Celsius and to pursue efforts to limit the increase to 1.5 degrees Celsius, noting that the proposal seeks to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors); *Devon Energy Corp.* (Mar. 4, 2019) (same); *JP Morgan Chase & Co.* (Mar. 30, 2018) (permitting exclusion under Rule 14a-8(i)(7) on the basis of micromanagement of a proposal requesting a report on the reputational, financial, and climate risks associated with project and corporate lending, underwriting, advising and investing on tar sands projects); and *Amazon.com, Inc.* (Mar. 6, 2018) (permitting exclusion under Rule 14a-8(i)(7) on the basis of micromanagement of a proposal requesting a report evaluating the potential to achieve net-zero GHG emissions by a certain future target date).

Here, the Proposal's Supporting Statement requests that the Company adopt "greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions," reduce "non-Paris aligned capital investments in oil and/or gas resource development", and invest "at scale in low-carbon energy or other greenhouse gas emission reduction measures." In fact, the Proponents seek to impose the adoption of such targets and ultimately seeks the Company to align its operations and investments with such goal. The Whereas clause of the Proposal lays out a set of specific criteria for alignment with the Paris Agreement, including "disclosure of Scope 1 through 3 emissions, adoption of a net zero by 2050 or equivalent target, a business plan for becoming Paris Aligned, and a declining carbon footprint."

In Staff Legal Bulletin No. 14E (Oct. 27, 2009) ("**SLB 14E**"), the Staff stated that a proposal may be excluded if it seeks to micro-manage the company by specifying in detail the manner in which the company should address a policy issue. *See Apple Inc.* (Dec. 21, 2017) (permitting exclusion of a proposal requesting the Apple board to prepare a report evaluating potential for Apple to achieve net-zero GHG emissions by a fixed date). On March 12, 2019, the Staff allowed Goldman Sachs Group, Inc. ("**Goldman Sachs**") to exclude a proposal that requested that Goldman Sachs "adopt a policy to reduce the carbon footprint of its loan and investment portfolios in alignment with the 2015 Paris goal of maintaining global warming well below 2 degrees, and issue annual reports describing targets, plans and progress under this policy." The Staff recognized that by "imposing this overarching requirement, the Proposal would micromanage the Company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors." *See Goldman Sachs Group Inc.* (Mar. 12, 2019). Similarly to Goldman Sachs, the Proposal seeks to impose specific methods and seeks specific information intended to force the Company's adoption of goals to reduce the Company's full carbon footprint in alignment with the Paris Agreement and to reduce non-Paris aligned capital investments.

As discussed earlier, the Proposal specifically lays out these goals and criteria for alignment in detail, suggesting that the Company should adopt them accordingly. In the paragraphs following this description for alignment, the Proposal recognizes that the Company has implemented GHG emission reduction goals, but undermines them by stating that they are "short term, limited to certain operations, do not address Scope 3 emissions, and are intensity based." The Proposal states that the Company's actions are not adequate, because "intensity targets, while an important step, increase efficiency, but do not ensure reductions in the company's total carbon footprint." This suggests that the Proposal is not seeking to defer to management's discretion to consider "if and how" the Company plans to reduce its carbon footprint and is not simply asking the Company to consider the relative benefits and drawbacks of several actions.

Instead, the Proposal is imposing upon the Company specific actions (i.e., replacing its existing intensity-based targets with absolute targets) and specific goals for alignment with the Paris Agreement. The Company's intensity-based targets are a product of a thorough decision-making process by its senior management and reviewed by its Board, requiring not only consideration of the Company's business and economic growth (including economic returns to its shareholders), but also the Company's values related to global policy concerns such as climate change.[41] As described in its 2018 Sustainability Report, the Company is committed to developing oil and gas resources in a sustainable way. Intensity-based targets allow the Company to balance the economic growth of its business while taking into account environmental concerns.

As discussed above, the Company has taken actions on three out of the four criteria for alignment with the Paris Agreement listed in the Whereas clause of the Proposal, including disclosing reduction of emissions, setting aggressive targets to reduce GHG emissions, methane and flaring, developing business plans and strategy consistent with the well below 2° C Goal, and reducing its carbon footprint. In other words, the Company has substantially implemented, and continues to act on, the important policy issues of climate change and sustainability that the Proposal addresses. The Company's 2018 Sustainability Report stresses that the Company's commitment to sustainability starts with the active engagement by its Board and senior management.[42] In fact, as discussed earlier, the Company has set aggressive targets for GHG emission reductions, focusing on reducing its carbon footprint on Scope 1 and Scope 2 emissions, over which it has direct control, as relevant and appropriate initiatives for the Company, and continues to plan actions in keeping with the goals of the Paris Agreement.[43] The Company's strategies to align with the Paris Agreement require significant board involvement, and require that the board and senior management consider several factors to integrate sustainable practices into its long-term strategy and daily operations.[44] In evaluating whether the Proposal micro-manages the Company, the Company considered the steps taken as part of its overall climate change and carbon emission reporting efforts and policies and overall sustainability initiatives consistent with its analysis of its business and operations. The Company's management determined, as supported by the Committee, that the Proposal effectively seeks to override management's judgment about the Company. Decisions related to the Company's long-term goals and plans for alignment with the Paris Agreement are fundamental to management's ability to run the Company on a day-to-day basis. Accordingly, the Company's management determined and the Committee believes that the Proposal imposes specific methods for implementing complex policies in place of the ongoing judgments of the management as overseen by the Board and thus, delves too deeply into complex matters upon which shareholders as a group would not be in a position to make an informed judgment.

In addition, as described above, the Company has recognized that although Paris Agreement alignment is a significant policy matter for the Company, the delta between the Company's current disclosure and efforts and desire to decrease its contribution to climate change and the reporting and goal-setting required by the Proposal is not sufficient to warrant inclusion of the Proposal in the 2020 Proxy Materials. The Commission has frequently allowed exclusion of proposals touching on what could be significant policy issues, where the proposals sought to micro-manage the company by detailing the means in which the company should address the policy issue. *See J.B. Hunt Transport Services, Inc.* (Feb. 14, 2019) ("**J.B. Hunt**") (in allowing the exclusion of a proposal that requested a report on the company's plan/progress in achieving company-wide, quantitative targets for lower GHG emissions, recognizing the

[41] 2018 Sustainability Report, pages 46-48

[42] 2018 Sustainability Report, page 2

[43] 2018 Sustainability Report, page 2

[44] 2018 Sustainability Report, pages 2-3

argument that the requested emissions goals and report were not a significant policy issue given the company's ongoing program for reducing emissions); *PayPal Holdings, Inc.* (Mar. 6, 2018) (allowing the exclusion of a proposal requesting that the company "prepare a report to shareholders that evaluates the feasibility of the [c]ompany achieving by 2030 'net-zero' GHG emissions from parts of the business directly owned and operated by the [c]ompany…."); *EOG Resources, Inc.* (Feb. 26, 2018) (allowing the exclusion of a proposal requesting that the "company adopt company-wide, quantitative, time-bound targets for reducing [GHG] emissions and issue a report … discussing its plans and progress towards achieving these targets"); and *Deere & Company* (Dec. 27, 2017) (allowing the exclusion of a proposal requesting that the company "prepare a report … that evaluates the potential for the [c]ompany … to achieve 'net zero' emissions of greenhouse gases by fixed future target date").

The Board and the Committee believe that the Company has adopted comprehensive climate change strategies in alignment with the Paris Agreement and has disclosed key aspects of such strategies, and the level of attainment thereof, in the Public Disclosures as described above. As a result, adopting the Proposal's request to issue a report including specific actions required by the Proponents in the Proposal would not materially add to the Company's existing climate change initiatives and thus does not present a sufficiently significant policy issue that transcends the ordinary business of the Company. The Company therefore believes that the issue raised is not a sufficiently significant policy issue on which shareholders should vote.

B. The Subject Matter of the Proposal Concerns the Products and Services Offered by the Company

The Staff has consistently held that proposals concerning the sale of particular products and services are generally excludable under Rule 14a-8(i)(7). *See AT&T Inc.* (Jan. 4, 2017) (concurring in the exclusion of a proposal that urged the company to report on progress towards providing internet service and products for low-income customers); *Papa John's International, Inc.* (Feb. 13, 2015) (concurring in the exclusion of a proposal requesting the company to expand its menu offerings to include vegan cheeses and vegan meats in order to advance animal welfare, noting in particular that "the proposal relates to the products offered for sale by the company and does not focus on a significant policy issue"); *Dominion Resources, Inc.* (Feb. 19, 2014) (concurring in the exclusion of a proposal requesting the company develop and provide information concerning renewable energy generation services); *Wells Fargo & Co.* (Jan. 28, 2013, *recon. denied* Mar. 4, 2013) (concurring in the exclusion under Rule 14a-8(i)(7) of a proposal requesting a report discussing the adequacy of the company's policies in addressing the social and financial impacts of the company's direct deposit advance lending service, noting that the proposal "relates to products and services offered for sale by the company"); and *Pepco Holdings, Inc.* (Feb. 18, 2011) (concurring in the exclusion of a proposal urging the company to pursue solar technology).

A proposal being framed in the form of a request for a report does not change the nature of the proposal. The Staff has long held that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the substance of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983). As further elaborated in SLB 14E, in evaluating shareholder proposals that request a risk assessment, the Staff will focus on the subject matter to which the risk pertains or that gives rise to the risk and consider whether the underlying subject matter of the risk evaluation involves a matter of ordinary business to the company. The Proposal requests a report disclosing if, and how the Company "plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2 degrees Celsius." The Supporting Statement notes the increased "risk to the global economy and investors' portfolios" attributable to the fossil fuel industry. It further states that "Hess's emissions are significant" to climate change, and that "Hess's future investment choices matter." The Proposal requires that the requested report include "information…on the relative benefits and drawbacks of adopting" several actions, including "adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions," "reducing non-Paris aligned capital investments in oil and/or gas resource development, and "investing at scale in low-carbon energy or other greenhouse gas emission reduction measures." Although framed as a report relating to climate change, the focus and underlying subject matter of the Proposal is not only the Company's choices in adopting the goals in alignment with the Paris Agreement, but also the Company's decision to develop, market, and invest in fossil fuel resources instead of low-carbon energy resources—a decision which, as discussed below, is fundamental to the Company's ordinary business operations, and therefore, excludable pursuant to Rule 14a-8(i)(7).

The Company is a global E&P company that focuses on developing and producing crude oil and natural gas from a wide range of assets, including conventional shallow, deepwater and ultra-deepwater assets as well as unconventional shale energy assets. An integral part of the Company's business is choosing the assets to explore and develop, allocating capital to higher return assets and determining when and how to most efficiently develop the assets. These determinations are extremely complex and when making these determinations in the ordinary course of its business, the Company assesses a variety of factors, including environmental concerns, including the impact of climate change, commodity price and demand, estimates of the size of recoverable resources, operational risk, development and infrastructure costs, geological and geophysical risks and other technical factors, political risk and the impact of applicable laws and regulations, among others. The Company's existing initiatives and energy policies are specifically tailored to the Company's E&P business, including the accomplishments described in Sections I.B and I.C above.

The Board actively engages in overseeing the Company's sustainability practices and considers sustainability risks and global scenarios when making strategic decisions, which are based on the Board's knowledge and understanding of the various factors that affect the management of the Company's operations. For example, the Company put the above-mentioned projects and programs into effect in a targeted way, by assessing the applicability to the Company's assets and operations. Moreover, the use of committees, including the Environmental, Health and Safety Committee of the Board, allows the Company to have a structured decision-making process, in which the Board can appropriately assess the recommendations and conclusively make an informed decision. The Company continually plans and determines the scope and nature of any objectives for reductions in GHG emissions, flaring, and methane emissions, and overall environmental sustainability of its E&P operations based on operational realities and scenario analysis, which are all part of the ordinary course of the Company's business.

The Proposal is asking the Company to change its business strategy to focus away from its core business of developing and producing crude oil and natural gas and towards reducing its "non-Paris aligned" capital investments in oil and/or gas resource development and investing in "low carbon energy or other greenhouse gas emission reduction measures" instead. The Proposal points to "a growing number of oil and gas companies" that have invested in renewable energy and divested fossil fuels and contrasts them with the Company thereby essentially asking the Company to adopt similar measures and divert its focus away from its core business and product mix. Decisions about the appropriate product mix and where to invest in product development relate to the products and services offered by the company and probe too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment.

The Staff has also concurred in the exclusion of shareholder proposals relating to the development of products and product lines, including choices of processes and technologies used in the preparation of the company's products, as relating to a company's ordinary business. *See FirstEnergy Corp.* (Mar. 8, 2013) (concurring in the exclusion of a proposal calling for a report on the effect of increasing the electricity provider's use of renewable energy sources because it concerned the company's choice of technologies for its operations). Specifically, in *FirstEnergy Corp.*, the Staff concurred with the company that a proposal concerning a company's choice of technologies for use in its operations are excludable under Rule 14a-8(i)(7) and that such decisions are beyond the realm of shareholder vote.

The Company may consider what technologies are available and assess the costs and risks of adopting certain technologies when choosing the assets to explore and develop. The Company's decision to adopt measures of "investing at scale in low carbon energy or other greenhouse gas emission reduction measures" requires an assessment of technological advances, capital investments and modifications in the Company's business operations. For example, the Company assesses and applies lean and data analytics, and considers the utilization of automated technologies for drillings and development.[46] Decisions about the specific process and technologies used by the Company in developing the products and services offered probe too deeply into matters of complex nature and is beyond the realm of a shareholder vote.

Because the Proposal concerns the Company's products and services, including the choices and technologies used, we respectfully request that the Staff concur with our view that the Proposal may be excluded pursuant to Rule 14a-8(i)(7), as dealing with matters related to the Company's ordinary business operations.

CONCLUSION

Based upon the foregoing analysis, we hereby respectfully request that the Staff concur with our view that the Company may properly omit the Proposal from its 2020 Proxy Materials in reliance on Rule 14a-8. Should the Staff disagree with this conclusion, we would appreciate the opportunity to confer with the Staff prior to the issuance of the Staff's response.

Please do not hesitate to contact me at (212) 819-8509 or djohansen@whitecase.com if you have any questions or require any additional information.

Very truly yours,

David Johansen

Attachments

cc: Barry Schachter, Hess Corporation
Danielle Fugere, As You Sow
Roberta M. Norman, Interim Co-Director and Finance Director, Park Foundation, Inc. (c/o As You Sow)
Brian Kariger, Trustee, Brian Patrick Kariger Revocable Trust (c/o As You Sow)

[46] 2018 Investor Day Presentation, slide 25

<u>Exhibit A</u>

See Attached

AS YOU SOW
2150 Kittredge St. Suite 450
Berkeley, CA 94704
www.asyousow.org
BUILDING A SAFE, JUST, AND SUSTAINABLE WORLD SINCE 1992

VIA OVERNIGHT MAIL

December 26, 2019

Timothy B. Goodell
Secretary
Hess Corporation
1185 Avenue of the Americas
New York, N.Y. 10036

Dear Mr. Goodell,

As You Sow is filing a shareholder proposal on behalf of Park Foundation, Inc. ("Proponent"), a shareholder of Hess Corporation, for inclusion in the company's 2020 proxy statement, and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent's concerns. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at our address set forth above.

Sincerely,

Danielle Fugere
President

Enclosures

- Shareholder Proposal
- Shareholder Authorization

Whereas: The Intergovernmental Panel on Climate Change research instructs that global emissions of carbon dioxide must reach "net zero" by 2050 to avoid catastrophic impacts associated with a warming climate. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to estimated savings of $20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change, and Hess's emissions are significant. Hess's future investment choices matter. Every dollar invested in fossil fuel resources that are not aligned with Paris goals increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway's sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects.[1] Other investors are seeking Paris Alignment from large emitters.[2] Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.

A growing number of oil and gas companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions[3] and has decreased reserves life below the industry standard of 10 years.[4] Total has invested substantially in renewable energy and storage. Equinor rebranded itself from 'StatOil' and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target, writing down over $5 billion of unaligned assets.[5]

Hess' greenhouse gas reduction goals are short term, limited to certain operations, do not address Scope 3 emissions, and are intensity based. Intensity targets, while an important step, increase efficiency, but do not ensure reductions in the company's total carbon footprint. Hess has no long term business plan to align operations with Paris 1.5 degree goals, and absolute operated greenhouse gas emissions from assets that Hess currently holds increased each year from 2016 to 2018.[6]

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[1] https://www.reuters.com/article/us-climate-europe-eib/european-investment-bank-to-cease-funding-fossil-fuel-projects-by-end-2021-idUSKBN1XO2OS; https://www.worldbank.org/en/topic/climatechange/brief/qa-the-world-bank-group-and-upstream-oil-and-gas

[2] https://climateaction100.wordpress.com/faq/

[3] https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1564572084204/fbfb66b7e35c8ee49204f6e53be4a0144e35d275/climate-change-submission-royal-dutch-shell-final-31.pdf, C4.1b

[4] https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk

[5] https://www.repsol.com/en/press-room/press-releases/2019/repsol-will-be-a-net-zero-emissions-company-by-2050.cshtml?utm_campaign=zero_201912_sost-climatico&utm_source=twitter&utm_medium=social

[6] https://www.hess.com/docs/default-source/sustainability/hess-2018-sustainability-report.pdf p. 46

Investors seek additional information to address these concerns.

Resolved: Shareholders request that Hess Corporation issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2 degrees Celsius.

Supporting Statement: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of adopting the following actions:

- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other greenhouse gas emission reduction measures.

December 23, 2019

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Authorization to File Shareholder Resolution

Dear Mr. Behar,

The undersigned (the "Stockholder") authorizes *As You Sow* to file or co-file a shareholder resolution on Stockholder's behalf with the named Company for inclusion in the Company's 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to the below described subject.

Stockholder: Park Foundation, Inc.

Company: Hess Corporation

Subject: Report on whether and how the company is aligning its full carbon footprint with Paris climate goals

The Stockholder has continuously owned over $2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the Company's annual meeting in 2020.

The Stockholder gives *As You Sow* the authority to address on the Stockholder's behalf any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name in relation to the resolution.

The shareholder further authorizes *As You Sow* to send a letter of support of the resolution on Stockholder's behalf.

Sincerely,

DocuSigned by:
Roberta M. Norman

Roberta M. Norman

Interim Co-Director and Finance Director

Park Foundation, Inc.

AS YOU SOW
2150 Kittredge St. Suite 450
Berkeley, CA 94704
www.asyousow.org
BUILDING A SAFE, JUST, AND SUSTAINABLE WORLD SINCE 1992

VIA OVERNIGHT MAIL

December 26, 2019

Timothy B. Goodell
Secretary
Hess Corporation
1185 Avenue of the Americas
New York, N.Y. 10036

Dear Mr. Goodell,

As You Sow is co-filing a shareholder proposal on behalf of Brian Patrick Kariger Revocable Trust for action at the next annual meeting of Hess Corporation. Shareholder is a co-filer of the enclosed proposal with Park Foundation Inc., who is the Proponent of the proposal. *As You Sow* has submitted the enclosed shareholder proposal on behalf of Proponent for inclusion in the 2020 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. *As You Sow* is authorized to act on the co-filer's behalf with regard to withdrawal of the proposal.

A letter authorizing *As You Sow* to act on the co-filer's behalf is enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at our address set forth above.

Sincerely,

Danielle Fugere
President

Enclosures
- Shareholder Proposal
- Shareholder Authorization

Whereas: The Intergovernmental Panel on Climate Change research instructs that global emissions of carbon dioxide must reach "net zero" by 2050 to avoid catastrophic impacts associated with a warming climate. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to estimated savings of $20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change, and Hess's emissions are significant. Hess's future investment choices matter. Every dollar invested in fossil fuel resources that are not aligned with Paris goals increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway's sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects.[1] Other investors are seeking Paris Alignment from large emitters.[2] Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.

A growing number of oil and gas companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions[3] and has decreased reserves life below the industry standard of 10 years.[4] Total has invested substantially in renewable energy and storage. Equinor rebranded itself from 'StatOil' and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target, writing down over $5 billion of unaligned assets.[5]

Hess' greenhouse gas reduction goals are short term, limited to certain operations, do not address Scope 3 emissions, and are intensity based. Intensity targets, while an important step, increase efficiency, but do not ensure reductions in the company's total carbon footprint. Hess has no long term business plan to align operations with Paris 1.5 degree goals, and absolute operated greenhouse gas emissions from assets that Hess currently holds increased each year from 2016 to 2018.[6]

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[1] https://www.reuters.com/article/us-climate-europe-eib/european-investment-bank-to-cease-funding-fossil-fuel-projects-by-end-2021-idUSKBN1XO2OS; https://www.worldbank.org/en/topic/climatechange/brief/qa-the-world-bank-group-and-upstream-oil-and-gas

[2] https://climateaction100.wordpress.com/faq/

[3] https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1564572084204/fbfb66b7e35c8ee49204f6e53be4a0144e35d275/climate-change-submission-royal-dutch-shell-final-31.pdf, C4.1b

[4] https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk

[5] https://www.repsol.com/en/press-room/press-releases/2019/repsol-will-be-a-net-zero-emissions-company-by-2050.cshtml?utm_campaign=zero_201912_sost-climatico&utm_source=twitter&utm_medium=social

[6] https://www.hess.com/docs/default-source/sustainability/hess-2018-sustainability-report.pdf p. 46

Investors seek additional information to address these concerns.

Resolved: Shareholders request that Hess Corporation issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2 degrees Celsius.

Supporting Statement: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of adopting the following actions:

- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other greenhouse gas emission reduction measures.

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11/6/2019 | 12:09:08 PM HAST

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Authorization to File Shareholder Resolution

Dear Andrew Behar,

As of the date of this letter, the undersigned authorizes As You Sow (AYS) file, cofile, or endorse the shareholder resolution identified below on Stockholder's behalf with the identified company, and that it be included in the proxy statement as specified below, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder: Brian Patrick Kariger Rev Tr (S)
Company: Hess
Annual Meeting/Proxy Statement Year: 2020
Resolution Subject: Climate change risk reporting

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

DocuSigned by

Name: BRIAN KARIGER

Title: Trustee

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12/10/2019 | 7:19:19 AM HAST

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: ADDENDUM LETTER to Authorization to File Shareholder Resolution

Dear Andrew Behar,

The undersigned submits the addendum below to an earlier signed letter that authorizes *As You Sow* to file, co-file, or endorse a shareholder resolution on Stockholder's behalf for inclusion in the company's proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The company name, resolution name, and resolution date are set forth below.

The Stockholder: Brian Patrick Kariger Revocable Trust

Company: Hess Corporation

Annual Meeting/Proxy Statement Year: 2020

Resolution Name: Report on whether and how company is aligning its full carbon footprint with Paris climate goals

The Stockholder has continuously owned over $2,000 worth of company stock, with voting rights, for over a year. **ADDENDUM:** The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2020.

Sincerely,

DocuSigned by

Name: BRIAN KARIGER

Title: Trustee

HESS CORPORATION

1185 Avenue of the Americas
New York, New York 10036

BARRY SCHACHTER
Assistant General Counsel and
Assistant Corporate Secretary
Phone: (212) 536-8039
bschachter@hess.com

January 8, 2020

VIA OVERNIGHT MAIL

Danielle Fugere
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Stockholder Proposal

Dear Ms. Fugere:

This letter acknowledges receipt on December 27, 2019 of your letter, dated December 26, 2019, submitting a proposal on behalf of Park Foundation Inc. ("Park Foundation") for inclusion in Hess Corporation's (the "Company") proxy materials for the 2020 Annual Meeting of Stockholders. The stockholder authorization accompanying your letter grants As You Sow authority to deal with all aspects of the proposal on behalf of Park Foundation, therefore we are sending you this letter in response.

Pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended, a stockholder who submits a proposal for inclusion with a company's proxy materials must own 1% of the outstanding stock eligible to vote or $2,000 in market value. In addition, the stockholder must have held the shares continuously for at least one year at the time the proposal was submitted, and must continue to hold the shares through the date of the annual meeting of stockholders.

Our records do not indicate that Park Foundation is a record holder of the Company's common stock and we have been unable to independently verify that Park Foundation owns the requisite number of shares to be eligible to submit the proposal. To remedy this deficiency, we respectfully request that you or Park Foundation provide verification of Park Foundation's ownership of the Company's common stock. Pursuant to Rule 14a-8, proof of ownership may take the form of either:

- A written statement from the "record" holder of the shares (usually a broker or a bank) verifying that, as of and including December 26, 2019, the date the proposal was submitted, Park Foundation continuously held the requisite number of shares of the Company's common stock for at least one year; or

- A copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting Park Foundation's ownership of the Company's common stock as of or before the date on which the one-year eligibility period begins and Park Foundation's written statement that it continuously held the required number of shares for the one-year period as of the date of the statement.

Please note that the Staff Legal Bulletin Nos. 14F and 14G ("SLB 14F" and "SLB 14G", respectively) issued by the staff of the Division of Corporation Finance of the Securities and Exchange Commission ("SEC"), provides that to be considered a "record" holder for purposes of Rule 14a-8, the broker or bank providing the written statement verifying Park Foundation's ownership must be a Depository Trust Company ("DTC") participant or an affiliate of a DTC participant. If your broker or bank is not a DTC participant or an affiliate of a DTC participant, then in addition to the written statement from the DTC participant confirming your broker or bank's ownership, you will need a second statement from your broker or bank confirming your ownership for the period described above. As of the date of this letter, a list of DTC participants can be obtained at: http://www.dtcc.com/client-center/dtc-directories

SEC rules require that your response to this letter correcting the deficiencies described above be postmarked or submitted electronically no later than 14 calendar days from the date you receive this letter. We have attached to this letter copies of Rule 14a-8 and SLB 14F and SLB 14G for your convenience.

Once we receive your response, we will be in a position to determine whether the deficiencies described in this letter have been adequately and timely corrected and whether the revised proposal is eligible for inclusion in the Company's proxy materials for the 2020 Annual Meeting. The Company reserves the right to submit a no-action request to the SEC, as appropriate with respect to the proposal or any revised proposal.

Sincerely,

Barry Sewthee

HESS CORPORATION
1185 Avenue of the Americas
New York, New York 10036

BARRY SCHACHTER
Assistant General Counsel and
Assistant Corporate Secretary
Phone: (212) 536-8039
bschachter@hess.com

January 8, 2020

VIA OVERNIGHT MAIL

Danielle Fugere
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Stockholder Proposal

Dear Ms. Fugere:

This letter acknowledges receipt on December 27, 2019 of your letter, dated December 26, 2019, submitting a proposal on behalf of the Brian Patrick Kariger Revocable Trust (the "Trust") for inclusion in Hess Corporation's (the "Company") proxy materials for the 2020 Annual Meeting of Stockholders. The stockholder authorization accompanying your letter grants As You Sow authority to deal with all aspects of the proposal on behalf of the Trust, therefore we are sending you this letter in response.

Pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended, a stockholder who submits a proposal for inclusion with a company's proxy materials must own 1% of the outstanding stock eligible to vote or $2,000 in market value. In addition, the stockholder must have held the shares continuously for at least one year at the time the proposal was submitted, and must continue to hold the shares through the date of the annual meeting of stockholders.

Our records do not indicate that the Trust is a record holder of the Company's common stock and we have been unable to independently verify that the Trust owns the requisite number of shares to be eligible to submit the proposal. To remedy this deficiency, we respectfully request that you or the Trust provide verification of the Trust's ownership of the Company's common stock. Pursuant to Rule 14a-8, proof of ownership may take the form of either:

- A written statement from the "record" holder of the shares (usually a broker or a bank) verifying that, as of and including December 26, 2019, the date the proposal was submitted, the Trust continuously held the requisite number of shares of the Company's common stock for at least one year; or

- A copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting the Trust's ownership of the Company's common stock as of or before the date on which the one-year eligibility period begins and the Trust's written statement that it continuously held the required number of shares for the one-year period as of the date of the statement.

Please note that the Staff Legal Bulletin Nos. 14F and 14G ("SLB 14F" and "SLB 14G", respectively) issued by the staff of the Division of Corporation Finance of the Securities and Exchange Commission ("SEC"), provides that to be considered a "record" holder for purposes of Rule 14a-8, the broker or bank providing the written statement verifying the Trust's ownership must be a Depository Trust Company ("DTC") participant or an affiliate of a DTC participant. If your broker or bank is not a DTC participant or an affiliate of a DTC participant, then in addition to the written statement from the DTC participant confirming your broker or bank's ownership, you will need a second statement from your broker or bank confirming your ownership for the period described above. As of the date of this letter, a list of DTC participants can be obtained at: http://www.dtcc.com/client-center/dtc-directories

SEC rules require that your response to this letter correcting the deficiencies described above be postmarked or submitted electronically no later than 14 calendar days from the date you receive this letter. We have attached to this letter copies of Rule 14a-8 and SLB 14F and SLB 14G for your convenience.

Once we receive your response, we will be in a position to determine whether the deficiencies described in this letter have been adequately and timely corrected and whether the revised proposal is eligible for inclusion in the Company's proxy materials for the 2020 Annual Meeting. The Company reserves the right to submit a no-action request to the SEC, as appropriate with respect to the proposal or any revised proposal.

Sincerely,

Barry Henderson

[redacted]

[redacted] [redacted]

From: Gail Follansbee <gail@asyousow.org>
Sent: Wednesday, January 22, 2020 6:32:38 PM
To: Schachter, Barry [redacted]
Cc: Danielle Fugere <DFugere@asyousow.org>; Kwan Hong Teoh <Kwan@asyousow.org>; Lila Holzman <lholzman@asyousow.org>; Shareholder Engagement <shareholderengagement@asyousow.org>
Subject: HES - Hess Corporation Shareholder Resolution - Climate Change - Def Notice Reply

Dear Mr. Schachter,

We are in receipt of your letters issued January 8, 2020 alleging notice of a deficiency in our December 26, 2019 letters transmitting a proposal for inclusion on the Company's 2020 proxy. In response to the cited deficiency, we enclose proof of ownership letters establishing the proponent's and co-filer's ownership of the Company's common stock in the requisite amount and in the time frame necessary to meet eligibility requirements.

Confirmation receipt of the enclosed would be appreciated. Thank you.

Best regards-
Gail

Gail Follansbee (she/her)
Coordinator, Shareholder Relations
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704
(510) 735-8139 (direct line)
gail@asyousow.org | www.asyousow.org

NORTHERN TRUST

December 26, 2019

Roberta M. Norman
Park Foundation, Inc.
140 Seneca Way, Suite 100
Ithaca, NY 14850
(607) 272-9124

Dear Roberta,

Northern Trust, a DTC participant, acts as the custodian for Park Foundation, Inc. As of the date of this letter, Park Foundation, Inc. held, and has held continuously for at least 365 days, 169 shares of Hess Corporation common stock.

Best Regards,

James Nanavati
2nd Vice President
(312) 557 9761

NTAC:3NS-20

Morgan Stanley

January 2, 2020

RE: Proof of Ownership **BRIAN PATRICK KARIGER REVOCABLE TRUST**

Morgan Stanley, DTC participant 015, acts as the custodian for **BRIAN PATRICK KARIGER REVOCABLE TRUST**. As of the date of this letter, including December 26, 2019 **BRIAN PATRICK KARIGER REVOCABLE TRUST** held, and has held continuously for at least 395 days, **68** shares of **HESS CORPORATION**

common stock.

Best Regards,

Sheree Lang
Director, Senior Ops Specialist
Morgan Stanley | Firmwide Ops
1300 Thames Street, Thames Street Wharf, 5th Floor | Baltimore, MD 21231
Phone: +1 443 627-4534
Sheree.Lang@morganstanley.com