



**SAFE
CLEAN
RESPONSIBLE**

2019 SUSTAINABILITY REPORT

EMPOWERED TO MAKE A DIFFERENCE

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marathonoil.com/sustainability-report



AN OPEN LETTER

TO OUR STAKEHOLDERS

Marathon Oil has an obligation to provide safe, responsible, affordable and reliable energy while also being a good corporate citizen. We do this by living our core values of providing a safe workplace for our employees and contractors, taking care of the environment and supporting our communities.

As a public company, we must also deliver competitive returns to our shareholders. In a world changed by the COVID-19 pandemic and the associated shocks to the energy sector, we remain committed to these core values. We are focused on protecting the enterprise and ensuring business continuity.

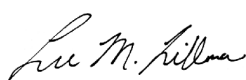
We also remain accountable for reporting our environmental, social and governance (ESG) performance. Our *2019 Sustainability Report* continues our practice of enhancing transparency on information that is meaningful to our stakeholders, including climate change risk.

Keeping our workforce safe is and always will be our top priority. 2019 marked the best year of safety performance in our company's history, and we work every day to strengthen the culture at the heart of this performance. We believe a safe company is a well-run company.

Oil and gas will be part of any energy transition and needed for transportation, manufacturing and other fundamental economic drivers. In addition, reliable, affordable and accessible energy is necessary to raise standards of living and reduce poverty. Companies that can deliver oil and gas economically and responsibly will not only be the most competitive and sustainable, but will also play a role in lifting up the more than 1 billion people who still live in energy poverty. With our strategy to be a low-cost, high-margin, responsible operator, we believe Marathon Oil is such a company.

I'm grateful to our workforce for their innovative spirit and resilience, our board of directors for their guidance and support, and all of our stakeholders for their continued interest in our ESG performance.

Sincerely,



Lee Tillman
Chairman, President & CEO



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BOARD OVERSIGHT

COMMITTED TO RESPONSIBLE ESG PERFORMANCE

At Marathon Oil, we understand that successful companies aren't only financially strong, but are also committed to responsible ESG performance. Our company takes measured, fact-based action – this is what our stakeholders have come to rely on and expect from us.

Our stakeholders have made it clear that we must meet the dual challenge of supplying the world's growing energy demand while also addressing climate risks. Climate change and the associated risks are among their top concerns and in 2019, Marathon Oil published our first climate risk report with the relevant disclosures from the Task Force on Climate-related Financial Disclosures (TCFD) framework. This included a discussion of the board of directors' involvement in enterprise risk management at Marathon Oil.

For years, our company has worked to reduce our greenhouse gas (GHG) emissions, particularly methane. To strengthen this commitment, in 2019 the board added GHG intensity as a metric in executive compensation calculations. This sends a strong message to stakeholders and management alike about the importance we place on responsible operations. While we still face challenges with gas capture infrastructure limitations and flaring in our North Dakota Bakken asset, we're working diligently with our stakeholders to find a sustainable solution. We expect to make a step change in our Bakken gas capture to approximately 90% in the third quarter of 2020.

In 2019, we also continued making strategic social investments to create healthy, safe, strong and resilient communities where we work and live.

Marathon Oil will keep doing our part in supplying the energy the world needs. All while staying true to our principles as a financially sound, responsible operator, and being accountable for our results. Thank you for this opportunity to share insights on the company's approach to risks and challenges, as well as our successes.

Sincerely,



Lisa Hyland

Chairman, Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee, Marathon Oil Board of Directors



ENVIRONMENT

MINIMIZING OUR IMPACT ACROSS OPERATIONS

We believe that protecting the environment is about more than just complying with regulations. It's about earning our license to operate each and every day and being a valued member of the communities where we work. Safe, environmentally responsible operations are central to our company values and to our commitment to our stakeholders.

We evaluate the impact of our operations on our communities and harness innovation to lessen our impact on people and the environment. While full compliance is embedded in our values as a minimum standard, we strive to go above and beyond regulatory requirements.

35%

Reduction in methane intensity since 2015

Driving Strong Environmental Performance

Strong environmental performance is a priority from the top down. Our senior vice president of operations has overall leadership accountability for our environmental performance, with oversight by the board's HES&CR Committee. Our cross-functional Sustainability Forum ensures that the highest level of operational management identifies, assesses and prioritizes climate-related risks.

The Responsible Operations Management System (ROMS) supports our efforts to minimize health, environmental and safety (HES) risks, ensure regulatory compliance and drive performance improvement in key metrics. Within ROMS, the Environmental Management Standard guides our business units in identifying environmental risks relevant to our operations. We've developed sound practices for local and regional management of emissions, water, waste and sensitive habitats to mitigate environmental impacts.

Metrics for air emissions that incentivize our company's low-cost, high-margin strategy are set forth in our corporate scorecard and linked to employee pay.



Environmental Performance Improvements in 2019

We achieved a 35% decrease in methane intensity, and a 38% decrease in methane emissions as a percent of natural gas produced, in the five-year period ending in 2019. This was largely due to eliminating routine use of high-bleed pneumatic controllers and rapid repair of any leaks discovered by our leak detection and response (LDAR) program. In 2019, we performed over 1,600 infrared camera surveys at over 800 sites, on over 1.75 million components, achieving a leak rate of 0.07%. In addition, we routinely surveyed pneumatic controllers and pumps for incorrect operation, exceeding federal requirements.

Our freshwater intensity declined approximately 19%, from 0.32 to 0.26 million barrels of freshwater per million barrels of oil equivalent (BOE) produced. Using our own pipelines as well as mid-stream transportation providers, we increased low-carbon transport of produced water by 96%.

In addition, we reduced the number of spill incidents exceeding one barrel outside of containment by approximately 35%. We also implemented industry-leading plans to prevent and mitigate seismic activity in our operations.

Addressing the Impacts of Climate-related Risks

Marathon Oil recognizes the impact of GHG and other air emissions on global climate and air quality. We understand that market changes could result from U.S. policy, global agreements, and evolving climate change laws and regulations.

Although we believe that oil and gas development will remain crucial to the world economy for the foreseeable future and an integral part of any energy transition, our stakeholders are increasingly interested in carbon-related policy initiatives and alternative energy sources. Marathon Oil has invested to ensure we can sustainably deliver the energy the world needs, in a way that fosters long-term value creation. The measures we've taken include low-carbon transport of our products and waste, and implementing new technologies to minimize emissions and freshwater use.

To align with stakeholder interest and climate guidance reports, we have expanded disclosures related to our methane and air emissions. In 2019, we issued a climate risk report describing our governance, strategy, risk management and metrics around climate risk consistent with the format advocated by TCFD. Our comprehensive *2019 Sustainability Report* now integrates the climate risk report.

SAFETY

ACHIEVING EXCELLENCE THROUGH SAFE OPERATIONS

Marathon Oil is committed to providing safe, healthy and secure workplaces where all those involved can work free of injury and illness. As a low-cost, high-margin operator, we recognize that it's not just about results but how we achieve those results.

To maintain our stakeholders' trust, we must operate safely. We actively look out for each other, maintain a safe work environment, continuously improve our procedures and train our workforce to reduce the risk of unplanned incidents. Throughout the exploration and production lifecycle, we use best practices and integrate effective safety systems.

Marathon Oil promotes our safety and health culture by attracting, developing and retaining individuals and partners who share our commitment to operational excellence. The relationships we build with our large contractor workforce help to prevent fatalities, injuries, fires, spills or explosions that can affect our people or our communities. Establishing a tone of safety and operational integrity starts at the top. The senior vice president of operations has overall leadership accountability for our safety performance, with oversight from the board's HES&CR Committee. To further reinforce safety as a priority, we incorporate enterprise-wide safety metrics in our annual incentive plan formula for executives and all employees.

Marathon Oil's HES and security (HES&S) activities are guided by ROMS, which includes HES&S Standards, Procedures, Life Critical Expectations and HES Beliefs.

Best Safety Performance in Company History

We measure the effectiveness of our personal and process safety, HES training, workforce health and emergency preparedness and response. In 2019, we achieved our best-ever safety record. We believe it was the result of having a mature safety culture and ROMS, strong safety leadership engagements and weekly management review of both potential and actual serious events. Our Total Recordable Incident Rate (TRIR) for both employees and contractors declined to 0.32 in 2019 compared to 0.53 in 2018.



0.32

TRIR for employees and contractors in 2019, the best in our company's history



We provide orientation, training, coaching and mentoring to ensure our workforce has the skills, preparation and qualifications necessary to perform work in the field safely and efficiently. Employees and contractors recorded over 53,000 hours of HES training in our Learning Management System (LMS) in 2019. In addition to a strong emphasis on life critical expectations, the training included regulatory compliance, safe work practices, driving, incident investigation and safety leadership.

Marathon Oil leaders held our contractors accountable for performing to our high safety and operational standards in 2019. While we strive to maintain a stable contractor workforce, we will stop working with contractors who do not meet our expectations and performance requirements. To increase individual accountability, in 2019 we introduced a persona non grata process that bars individuals from working on all Marathon Oil locations if they violate our safety and policy requirements.

We Value Health and Well-being

In collaboration with community leaders in our operating areas, Marathon Oil advances public health initiatives that promote the common good and protect the public, our employees and their families. Our public health programs in Equatorial Guinea, such as the Bioko Island Malaria Elimination Project (BIMEP), emphasize capacity building to help communities achieve their long-term health goals.

Trained and Ready to Respond

Marathon Oil maintains plans to protect communities in the event of natural disasters, security incidents and operational disruptions. During these and other events, we have comprehensive capabilities to protect personnel, facilities, neighbors and the environment. We also have detailed business continuity plans to protect our workforce and continue critical business functions during sustained efforts. We activated our business continuity plans during the COVID-19 pandemic of 2020 to ensure the safety and health of our workforce and sustain critical business functions.

SOCIETY

COLLABORATING IN OUR COMMUNITIES

Social responsibility and stakeholder engagement are critical to our ability to develop and maintain meaningful relationships, operate efficiently, create long-term value and return capital to shareholders.

Social responsibility is a priority in everything we do. Our executive vice president, general counsel and chief administrative officer has leadership accountability for Marathon Oil's social responsibility efforts, with oversight from the board's HES&CR Committee.

\$15M

In global social investments in 2019

Fostering Effective Relationships

Engaging stakeholders helps us manage risk and community impacts, access new resources and avoid project delays. We build relationships of trust and mutual understanding with stakeholders and collaborate with them to understand how our operations impact communities. We develop and execute plans and projects to address social issues, with a focus on public health, safety, education and the environment.

In 2019, Lee Tillman joined 180 CEOs in signing Business Roundtable's new Statement of Purpose of a Corporation - signaling Marathon Oil's commitment to providing benefit for all our stakeholders - employees, suppliers and communities, as well as shareholders.

We respect the human, cultural and legal rights of all individuals and communities. We can learn from one another by living our values in our communities, and treating everyone with kindness and respect. We are actively looking for ways to work with our employees and community partners to address racial injustice and other societal challenges facing our families, communities and industry.

Marathon Oil is committed to safety, ethical business conduct, respect for human rights and sound labor practices, and we expect the same from our supply chain partners. Our commercial agreements reinforce expectations that suppliers align with our values, adhere to our policies, and comply with all applicable export, anti-corruption and anti-bribery laws and regulations. We seek out suppliers that represent our diverse communities and build strong supplier relationships to maintain a stable workforce. We believe this is more sustainable for our company and the community.



Amplifying Our Social Impact

To strengthen our communities and relationships, we refined our social investment strategy in 2019 to increase program impact and align partners around three main goals:

- **Building healthier and safer communities.**

Investments in community infrastructure address the direct impacts of our operations, such as road traffic, and indirect impacts by increasing access to basic needs and services. Our investments included donations to local first responders for much-needed equipment and technology and to food banks in our operating areas. We joined the Oil & Gas Trafficking Awareness Group (OGTAG) working to end human trafficking in our operating areas. Marathon Oil continued our long-standing relationship with the American Heart Association (AHA) in Houston and launched a partnership with the Children's Hospital at the University of Oklahoma.

- **Building more resilient communities.** We invest in protecting and restoring natural resources to create more resilient communities and ultimately improve quality of life. In 2019, we continued to participate in the Pecos Watershed Conservation Initiative (PWCI), a coalition of The National Fish and Wildlife Foundation (NFWF), the U.S.D.A.'s Natural Resources

Conservation Service (NRCS) and seven oil and gas companies.

- **Building stronger communities.** By investing in inclusive and equitable quality education for all, we hope to create a foundation for strong communities and socio-economic growth. We're focused on programs that boost literacy and science, technology, engineering and math (STEM) education. Our partners include the Barbara Bush Houston Literacy Foundation, Oklahoma City Public Schools, Oklahoma Energy Resources Board and North Dakota Petroleum Council.

GOVERNANCE

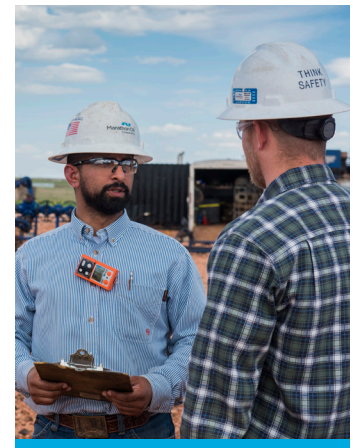
UNDERSTANDING OUR RISKS

At Marathon Oil, operating responsibly means effectively managing and mitigating environmental, safety, security, operational, social, reputational and other risks. We prioritize best-in-class corporate governance, including a robust risk management infrastructure, as well as processes and foundational principles that govern the way we do business every day.

We believe it's our obligation to operate with ethics and integrity, and to promote open and transparent communications. Our Code of Business Conduct reinforces this commitment. We maintain processes, policies and standards to detect, prevent and address potential violations of applicable anti-corruption and commercial bribery laws.

The Marathon Oil board of directors oversees our business and assesses risk to ensure high levels of ESG and business performance for the benefit of our shareholders. The board's oversight role includes reviewing the sustainability of our operations, the strength of our risk management efforts and the viability of our strategic plans. This oversight and guidance is critical to protecting our ability to create long-term value. We believe that independent board oversight is essential to effective governance, and seven of our eight board members were independent in 2019.

Promoting a culture of diversity and inclusivity is important to us. We've made progress to ensure both our board and workforce better represent our stakeholders and communities where we operate. We view and define diversity broadly to encompass gender, ethnicity, age, education, experience and leadership qualities.



Management Systems to Identify and Manage Risk

We believe that strong governance produces a corporate culture and a business environment conducive to our company's growth and longevity. Management systems to help identify enterprise, business unit and operational risks enable our employees to mitigate issues, leverage opportunities, drive continuous improvement and promote sustainability.

We use the Enterprise Risk Management (ERM) process to identify and effectively manage the most significant risks to our business, based on their impact to the company from the perspective of the enterprise and our stakeholders. ROMS is our framework to drive continuous improvement, ensure regulatory compliance and reduce operational risks across Marathon Oil.

FIVE-YEAR PERFORMANCE HIGHLIGHTS

Governance and Society	2019	2018	2017	2016	2015
Independent Board Members - percent	88	86	89	89	89
Political Contributions - thousand dollars ^a	85	289	65	194	165
Social Investments (Global) - million dollars	14.9	19.3	21.7	20.5	24.2
Environment	2019	2018	2017	2016	2015
GHG Emissions (Global)^{b,c}					
Direct Emissions - million tonnes CO ₂ e	6.47	5.20	3.91	3.07	3.58
Indirect Emissions - million tonnes CO ₂ e	0.18	0.16	0.16	0.19	1.06
Total GHG Emissions - million tonnes CO ₂ e	6.65	5.36	4.06	3.26	4.65
Total Methane Emissions - million tonnes CO ₂ e	0.47	0.57	0.62	0.67	0.64
GHG Intensity - tonnes CO ₂ e on a weighted basis/production (mboe)	30.76	25.35	22.06	18.11	24.52
Total Methane Intensity - tonnes CO ₂ e on a weighted basis/production (mboe)	2.18	2.70	3.35	3.71	3.36
Methane Emissions as a % of Natural Gas Produced	0.16	0.19	0.21	0.24	0.26
Energy Use - trillion BTU	36.18	44.86	43.74	49.44	-
Other Operational Air Emissions (Global)					
Sulfur Dioxide (SO _x) - tons	462.0	560.0	538.1	104.5	497.6
Nitrogen Oxides (NO _x) - tons	23,755	29,050	27,923	23,733	23,295
Volatile Organic Compounds (VOCs) - tons ^d	12,225	12,959	22,739	16,226	11,127
U.S. Onshore Water Usage - million barrels used	95	82	70	29	40
Global Spill Events to the Environment ≥ 1 bbl - number ^e	30	47	35	29	47
Global Spill Volumes to the Environment ≥ 1 bbl - barrels (Oil) ^e	841	578	583	1,114	1,914
Global Spill Volumes to the Environment ≥ 1 bbl - barrels (Non-Oil) ^{e,f}	47,624	396	445	466	1,691
Total Off-Site Waste Disposal - thousand tons	183	73	26	16	-
Orphan Site Remediation and Reclamation - million dollars	0.8	1.8	0.9	1.0	4.1
Regulatory Fines - thousand dollars	18.1	-	-	-	-
Safety and Workforce	2019	2018	2017	2016	2015
Safety — Global (combined employee and contractor)					
Fatalities - number	0	0	0	0	0
Total Recordable Incident Rate (TRIR) - incidents x 200,000/work hours	0.32	0.53	0.64	0.35	0.39
Near Miss Frequency Rate	49.31	57.53	54.19	-	-
Process Safety Management					
Tier 1 Process Safety Events - number	0	2	0	0	1
Tier 2 Process Safety Events - number	0	0	0	0	3
Tier 3 Process Safety Events - number	2	22	31	22	18
Employees (Global) - number ^g	2,000	2,437	2,345	2,302	2,642
Turnover - percent ^{g,h}	15.0	11.7	13.2	14.5	19.8
Minority Employees (U.S.) - percent ^{g,i}	30.1	33.3	30.1	24.5	24.4
Minority Professionals (U.S.) - percent ^{g,i}	29.0	31.6	28.8	24.6	24.2
Minority Supervisors/Managers (U.S.) - percent ^{g,i}	19.8	20.4	16.1	13.2	13.9
Female Employees (Global) - percent ^g	29.8	28.1	26.1	25.4	26.0
Female Professionals (Global) - percent ^g	32.4	30.7	28.7	23.1	28.2
Female Supervisors/Managers (Global) - percent ^g	26.2	22.4	21.1	19.4	21.2
Percent of Workforce Represented by Unions (Global) - percent ^g	0.0	0.0	0.0	0.0	0.0

These tables contain data relevant to Marathon Oil's governance, society, environmental, safety and workplace performance. We understand that the accuracy of the data is inherently constrained by differing reporting rules, definitions, estimating methods and other factors. We endeavor to strengthen global data reporting systems and methodologies but recognize as accuracy is improved, corrections will be needed periodically. In this table, some totals may not equal the sum of their components and separate calculations of other data may be affected due to independent rounding. The metrics above are for operations under direct Marathon Oil management and operational control. GHG emissions are estimated using industry guidelines (API's Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry and the IPIECA/API/IOGP Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions). Except as noted, metrics in this table represent global performance.

^a Includes political action committee and corporate contributions. ^b Greenhouse gas (GHG) carbon dioxide equivalent (CO₂e) emissions are based on carbon dioxide, methane and nitrous oxide from Marathon Oil-operated facilities only. ^c 2017 air emissions have been updated based on a review and resubmission of emissions data to the EPA. ^d Increase in VOCs is primarily due to accounting changes in the Resource Plays. ^e Data include spills outside of secondary containment ≥ 1 barrel. ^f Non-oil includes some produced fluids, such as produced water, which may contain trace amounts of hydrocarbons and non-produced fluids such as drilling muds, fracturing and production chemicals. 2019 increase primarily due to two large produced water spills. Total spill volume from these two incidents was ~47,500 bbls of produced water. ^g Workforce statistics reflect year-end data. ^h Data do not include total retirement rates of 1.3%, 2.4%, 4.2%, 5.1% and 11.1% for 2019, 2018, 2017, 2016 and 2015, respectively. ⁱ Minority designation defined by Equal Employment Opportunity EEO-1 report categories.



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Questions or Comments?
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