2019 SUSTAINABILITY REPORT

EMPOWERED TO MAKE A DIFFERENCE

Read the report online: marathonoil.com/sustainability
# 2019 Sustainability Report

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SECTION I
REPORT OVERVIEW
INTRODUCTION

ABOUT THIS REPORT

As we produce the energy the world needs, being responsible, safe and ethical enables Marathon Oil to protect our license to operate.

We seek to further the environmental, social and governance (ESG) progress of our business and the sustainability of the communities where we live and work. Our 2019 Sustainability Report demonstrates our accountability for addressing challenges and risks affecting our business.

In this report, we provide information about our nonfinancial and financial performance, supported by quantitative metrics and qualitative examples. We’ve designed it to be a one-stop resource providing accurate information for a wide range of stakeholders, including ESG rating and ranking services, which we believe is consistent with our strategy to be the lowest-cost, highest-margin independent exploration and production company.

We select ESG performance indicators using the Sustainability Reporting Guidance for the Oil & Gas Industry. This joint publication of IPIECA, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (IOGP) provides a reporting framework for the petroleum industry. Our approach is also informed by the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). We recognize that ESG performance reporting is a rapidly evolving area and we will continue to enhance our reporting as best practices are identified. However, we are committed to the efficiency and clarity of publishing a comprehensive report that is the definitive ESG source document for our company.

All information and performance data in this report relate to Marathon Oil operations, unless otherwise stated. We include certain information on non-operated assets and equity method investments, such as Equatorial Guinea LNG Holdings Limited (EG LNG).

This report was reviewed by Marathon Oil subject-matter experts, legal and accounting staff, executives, the board of directors and a third-party ESG consultant. The financial highlights were sourced directly from the 2019 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC). ESG data is non-GAAP and not audited.
What We Report On

Information included in this report was determined based on a review of risks and issues identified during our Enterprise Risk Management process and in discussions with Marathon Oil managers and subject-matter experts; investors; business partners, industry associations and nongovernmental organizations; and nonprofit and community partners. We also benchmarked reporting practices of peer companies, and reviewed investment reports and media coverage.

Forward-looking Statement: This report contains forward-looking statements. These are statements, other than statements of historical fact, that give current expectations or forecasts of future events, including, without limitation: the company’s future performance, business strategy, air emissions mitigation strategies, our projected performance in a lower-carbon future, our actions to manage and reduce future emissions, asset quality, drilling plans, production, oil growth, cost and expense estimates, leasing and exploration activities, future financial position, tax rates and other plans and objectives for future operations. Words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “model,” “outlook,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would” or similar words may be used to identify forward-looking statements; however, the absence of these words does not mean that the statements are not forward-looking. While the company believes our assumptions concerning future events are reasonable, a number of factors could cause actual results to differ materially from those projected, including, but not limited to: conditions in the oil and gas industry, including supply/demand levels for crude oil and condensate, natural gas liquids (NGLs) and natural gas and the resulting impact on price; changes in expected reserve or production levels; changes in political or economic conditions in the U.S. and Equatorial Guinea, including changes in foreign currency exchange rates, interest rates and inflation rates; actions taken by the members of the Organization of the Petroleum Exporting Countries (OPEC) and Russia affecting the production and pricing of crude oil; other global and domestic political, economic or diplomatic developments; capital available for exploration and development; our ability to complete our announced acquisitions on the timeline currently anticipated, if at all; risks related to the company’s hedging activities; voluntary or involuntary curtailments, delays or cancellations of certain drilling activities; well production timing; liability resulting from litigation; drilling and operating risks; lack of, or disruption in, access to storage capacity, pipelines or other transportation methods; availability of drilling rigs, materials and labor, including the costs associated therewith; difficulty in obtaining necessary approvals and permits; non-performance by third parties of contractual obligations; unforeseen hazards such as weather conditions, a health pandemic (including COVID-19), acts of war or terrorist acts and the government or military response thereto; cyber-attacks; changes in safety, health, environmental, tax and other regulations, requirements or initiatives, including initiatives addressing the impact of global climate change, air emissions or water management; other geological, operating and economic considerations; and the risk factors, forward-looking statements and challenges and uncertainties described in the company’s 2019 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases, available at www.marathonoil.com. Except as required by law, the company undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.
INTRODUCTION

MARATHON OIL AT A GLANCE

OUR VISION
To be the premier independent exploration and production company

OUR VALUES
1. We are responsible, safe and ethical
2. We are bold
3. We take ownership
4. We are one team
5. We deliver results

OUR STRATEGY
Lowest-cost, highest-margin U.S. resource play focused
Our Operations

Marathon Oil Corporation (NYSE:MRO) is an independent exploration and production (E&P) company focused on the most significant oil-rich resource plays in the U.S., complemented by a world-class integrated gas business in Equatorial Guinea.

We’re based in Houston, Texas, and as of Dec. 31, 2019, we employed approximately 2,000 full-time people worldwide who share a common value set and culture to be responsible, safe and ethical.

Our strategy focuses on low-cost, high-margin U.S. resource plays, including the Eagle Ford in Texas, the Bakken in North Dakota, STACK and SCOOP in Oklahoma and the Permian in New Mexico. Marathon Oil remains committed to our framework for success, with the foundation of a peer-leading balance sheet and the competitive advantages of our multi-basin portfolio.

We believe we have the right portfolio of assets and the right strategy: putting returns first, generating sustainable free cash flow and sharing that cash back with investors.
Marathon Oil has a responsibility to provide safe, responsible, affordable and reliable energy while also being a good corporate citizen. We do this first and foremost by adhering to 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 an energy sector devastated by the associated supply and demand shocks and the resulting prices for oil and gas, we remain committed to these core values. We are focused on protecting our strong financial foundation and ensuring business continuity.

In light of the rapid onset of this global pandemic, Marathon Oil acted quickly to implement remote work for the health and safety of our office-based employees and contractors and their communities. Throughout the COVID-19 crisis, our field staff has remained hard at work, as essential critical infrastructure providers, expertly doing their job to keep the U.S. supplied with made-in-America energy while implementing protocols to protect their health during the crisis. In our Equatorial Guinea operations, our workforce protections included reducing personnel onsite by 45% and increasing medical and quarantine capabilities. We also worked with industry to share best practices, and leveraged the Bioko Island Malaria Elimination Project vaccine lab to test and diagnose COVID-19 on behalf of the EG Ministry of Health and Social Welfare, all while also protecting our assets and implementing business continuity protocols.

We’ve taken immediate and decisive action in response to the macro challenges and the uncertainty associated with the timeline for recovery. Our response has been prudent but strong – reducing our 2020 capital expenditure program, lowering our cost structure, and protecting our balance sheet, liquidity and cash generation. Behind all of these actions, we are prioritizing the financial strength of the enterprise.

We believe our response to the COVID-19 pandemic demonstrates our ability to manage risk effectively, an essential aspect of good governance. Our critical business functions – which include operating responsibly - have gone on without interruption.
Transparency on our 2019 ESG Performance

Even as we navigate these unprecedented challenges, Marathon Oil must also remain accountable for reporting our environmental, social and governance (ESG) performance. This 2019 Sustainability Report continues our practice of enhancing transparency on information that is meaningful to our stakeholders. For the first time, we’re incorporating relevant disclosures from the TCFD (Task Force on Climate-related Financial Disclosures) and SASB (Sustainability Accounting Standards Board), two frameworks valued by our stakeholders. The climate risk report we issued in 2019 is also now integrated into this report.

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, as measured by the Total Recordable Incident Rate (TRIR), and we work every day to strengthen the culture at the heart of this performance. When safety is top of mind, it builds trust with our workforce and their families, protects our license to operate and helps us stay competitive in the marketplace. We believe a safe company is a well-run company.

We fully acknowledge the dual challenge of meeting the world’s growing energy demand and responding to the risks of climate change. Failure on either front is not acceptable. Both the risks and opportunities associated with climate change will shape our company and our sector in the years to come.

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 the great social equalizer and 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 vital social 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.

As part of our strategy, we seek to continuously improve our environmental performance, particularly regarding air emissions. Through companywide efforts, we’ve reduced methane emissions 35% in the last five years, and our Emissions Management Committee ensures an enterprise-level focus to prioritize and fund additional high-impact projects to drive down greenhouse gas (GHG) intensity. We’re also working diligently to mitigate the impacts of ongoing gas capture infrastructure limitations causing flaring in our North Dakota Bakken asset. Specific to the Bakken, we expect to make a step change in our gas capture to about 90% in the third quarter of 2020. Importantly, GHG intensity has been added to our executive compensation scorecard to underpin our commitment.
Looking Ahead

Our society, our industry and our company face a long journey to recovery. We believe the best solution to our current crisis is to get the world healthy and back to work. Our industry has been a powerful engine of U.S. economic growth for the last decade; and the clean, affordable energy we provide will unquestionably be critical in powering our nation’s eventual economic recovery. Marathon Oil is well positioned to deliver on this mandate.

As we’ve faced these challenges, Marathon Oil employees and contractors have shown their innovative spirit and resilience. I’m grateful for their dedication to keeping our business operating safely and responsibly. In addition, I thank our board of directors for their guidance and support, and all of our stakeholders for their continued interest in our ESG performance. It will take all of us working hard, collaborating and staying focused to come out of this period stronger and prepared for the future.

Sincerely,

Lee Tillman
Chairman, President & CEO
A MESSAGE FROM OUR BOARD

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

As the chair of the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of the board of directors, I can attest that when we take action, our stakeholders can be confident that it’s thoroughly and thoughtfully planned, tested and implemented.

We operate from a position of financial strength and set realistic priorities to meet our stakeholders’ expectations with respect to investments, employment, energy supply and community sustainability. This focus on being a safe and financially and environmentally responsible operator will ensure our place in any future energy transition.

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 addressing this as we do all problems: diligently and collaboratively with all relevant stakeholders. We are committed to finding a sustainable solution and are already seeing significant improvements on this front in the second half of 2020. We expect to make a step change in our Bakken gas capture to approximately 90% in the third quarter of 2020.
Collaborative efforts have led to very positive outcomes in other areas of ESG. Notably, 2019 was an outstanding year for safety performance. In fact, our best ever as measured by the Total Recordable Incident Rate (TRIR). This resulted, in part, from working with our contractors to perform to our high standards, which keeps everyone safe and maintains a stable workforce. We also continued making strategic social investments to create healthy, safe, strong and resilient communities where we work and live.

Despite the challenges our industry is facing, Marathon Oil will continue to do 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.

On behalf of the Marathon Oil board of directors and the HES&CR committee, thank you for this opportunity to share insights on the company’s approach to risks and challenges, as well as our successes. I look forward to your feedback on how we can enhance our nonfinancial performance and reporting.

Sincerely,

Lisa Hyland
Chairman, HES&CR Committee
Marathon Oil Corporation Board of Directors
### Stakeholder Map

Below are the key constituencies we focus on in earning our license to operate.

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### Corporate Engagement

| • Investor         | • Policy development| • Corporate website, media and social media| • Performance management| • Environmental management programs| • Trade associations|
| presentations,    | • Industry and trade| • Social investment programs| • Training and development| • Respect for human rights| • Research and technology consortia|
| conferences and   | associations         | • Owner relations      | • Internal communications|                                 | • Emergency response organizations|
| webcasts          | • Advocacy           |                           | • Code of Business Conduct and Integrity Helpline|                                 | • International business councils|
| • Investor         | • Social investment  |                           | • Participation on industry and trade association committees|                                 |                     |
| discussions       | programs             |                           |                                 |                                 |                     |
| • SEC filings      | • Public-private     |                           |                                 |                                 |                     |
| • Surveys and      | partnerships         |                           |                                 |                                 |                     |
| questionnaires    |                      |                           |                                 |                                 |                     |
| from rating and   |                      |                           |                                 |                                 |                     |
| ranking services  |                      |                           |                                 |                                 |                     |

### Operations Engagement

| • Tours            | • Regulatory         | • Employment opportunities| • Management systems| • National training, education and scholarship programs| • State and regional trade organizations|
|                    | compliance           | • Local supply chain      | • Safety leadership| • Respect for human rights| • Chamber of commerce meetings|
|                    |                     | • Community outreach and  | • Reaching production targets and increasing reserves| • Security training| • Peer-to-peer engagement|
|                    |                     | investment                | • Cost management   | • Feedback| • Coordination on best practices|
|                    |                     | • Landowner and town hall | • Volunteering      |             |                     |
|                    |                     | meetings                  | • Employee resource groups|             |                     |
|                    |                     | • Media and social media  | • Feedback          |             |                     |
|                    |                     | • Feedback                |                      |             |                     |
|                    |                     |                           |                      |             |                     |
SECTION II
GOVERNANCE
GOOD GOVERNANCE, GOOD STEWARDSHIP

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 communication. Strong leadership and governance are critical to good stewardship.

The Marathon Oil board of directors oversees our business and assesses risk to ensure high levels of environmental, social and governance (ESG) performance for the benefit of our shareholders. Our Corporate Governance Principles describe the roles, responsibilities and functions of the board. Detailed information about the selection, election, independence, diversity, committees, evaluation, risk management responsibilities, compensation and functioning of our board is available in our 2020 Proxy Statement.

Performance Highlights

• Continued to identify, manage and mitigate enterprise risks using the Enterprise Risk Management (ERM) process, with oversight from the board of directors and active involvement of Marathon Oil management.

• Introduced new corporate standards and added regional vice presidents to the Responsible Operations Management System (ROMS) steering committee, as part of continuous improvement efforts associated with ROMS implementation.

• Strengthened business continuity plans across the company by holding a workshop and adding a web-based computer access program.
Marathon Oil’s board of directors consists of eight members, seven of whom are independent. Lee Tillman is our chairman, president and CEO, and Greg Boyce is our independent lead director.

The non-employee directors selected Mr. Boyce to serve as independent lead director and Mr. Tillman to serve as chairman, effective February 1, 2019. Our board doesn’t have a policy regarding whether the roles of the chairman and CEO should be separate, but rather makes this determination based on what’s best for our company at a given point in time.

We believe that independent board oversight is essential to effective governance. Our Corporate Governance Principles require that non-employee directors, all of whom are currently independent, meet at regularly scheduled executive sessions without the CEO and chairman present. The lead independent director presides at these meetings. In addition, our Corporate Governance Principles require that all our principal committees comprise entirely independent directors.

The board has four principal standing committees: Audit and Finance; Compensation; Corporate Governance and Nominating; and Health, Environmental, Safety and Corporate Responsibility (HES&CR). The HES&CR committee plays a vital oversight role in our sustainability efforts and includes board members with experience in this area.

For more information on board composition, structure and independence, please refer to our 2020 Proxy Statement.

Board Diversity

At Marathon Oil, promoting a culture of diversity and inclusion is important to us, and it begins at the top. 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 in its broadest sense, encompassing gender, ethnicity, age, education, experience and leadership qualities.
The Corporate Governance and Nominating Committee reviews with our board the appropriate size and composition of the board. When considering director nominees, we look at a diverse pool of candidates, considering each candidate’s business or professional experience, demonstrated leadership ability, integrity and judgment, record of public service, diversity, financial and technological acumen, and international experience.

Our directors have experience spanning a broad range of industries in the public and not-for-profit sectors. They bring a variety of skills, qualifications, and viewpoints that strengthen our board’s ability to carry out its oversight role on behalf of our stockholders.

For more information on board diversity, and to view our Skills Matrix, please see our 2020 Proxy Statement.
Board Oversight of Sustainability

We believe that strong governance produces a corporate culture and a business environment conducive to our company's growth and longevity. 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 Marathon Oil's ability to create long-term value.

Executive Compensation Philosophy

The board’s Compensation Committee reviews and recommends to our board all matters of policy and procedure relating to executive officer compensation. Our compensation program incorporates best practices in executive compensation, including engaging an independent compensation consultant to advise the committee. The committee:

- Reviews and approves the corporate philosophy, goals and objectives relevant to the CEO's compensation and determines and recommends to the independent directors for approval the CEO's compensation level based on our board’s performance evaluation.
- Determines and approves the compensation of the other executive officers, and administers our incentive compensation and equity-based plans.
- Reviews the executive compensation program to ensure it doesn’t encourage excessive risk-taking.
- Reviews our executive compensation, incentive compensation program and succession plans to ensure we have appropriate practices in place to support the retention and development of the talent necessary to achieve our business goals and objectives.

Our success is based on financial performance and operational results, and we believe that our executive compensation program is an important driver of that success. The primary objectives of our program are to pay for performance, encourage creation of long-term stockholder value and pay competitively.
Executive compensation includes base salary, annual cash bonuses, long-term incentive awards, and other benefits and limited perquisites. By design, a significant portion of our executive officers' overall compensation, including annual cash bonuses and long-term incentive awards, is “performance based,” and the opportunity to earn value is largely dependent on both company and individual performance. For 2019, our CEO’s awarded compensation was approximately 97 times the median of the annual total compensation for all of our employees.

Our short-term incentive program metrics align with our financial, operational and health, environmental and safety (HES) commitments. In 2020, we reinforced our HES commitment by adding a greenhouse gas intensity metric to our strategic objectives. We believe adding this metric strengthens the tie between our operations and our commitment to addressing climate change risk.

For more information about our 2019 executive compensation program, as well as the roles and responsibilities of the Compensation Committee, please see our 2020 Proxy Statement and the Compensation Committee Charter.
IDENTIFYING AND MITIGATING RISK

Marathon Oil uses management systems to help identify enterprise, business unit and operational risks, enabling our employees to mitigate issues, leverage opportunities, drive continuous improvement and promote sustainability.

Risk Management: Roles and Responsibilities

Our board of directors and its committees oversee corporate risk management, while Marathon Oil executive and senior management is responsible for day-to-day risk management at the enterprise level. Each board committee has specific risk oversight responsibilities:

- The Audit and Finance Committee annually reviews our Enterprise Risk Management (ERM) process, the latest assessment of risks and key mitigation strategies. It regularly reviews risks associated with financial and accounting matters and reporting; financial strategies and capital structure; and operational risks, including cybersecurity. The committee also monitors compliance with legal and regulatory requirements and internal control systems.

- The Corporate Governance and Nominating Committee reviews the board’s and company’s governance policies and procedures to ensure adherence to best practices and legal requirements. This committee also reviews director succession planning and committee assignments to ensure the directors’ skills and backgrounds are utilized to the best interests of the Company.

- The Compensation Committee reviews the executive compensation program to prevent excessive risk-taking, along with our incentive compensation program and succession plans to promote best practices for talent retention and development.

- The Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee regularly reviews and oversees operational risks, including those relating to climate change, HES and security. It reviews risks associated with social, political and environmental trends, issues and concerns, domestic and international, which affect or could affect our business activities, performance and reputation.
Our board receives regular updates from these committees and reviews additional strategic risks not specifically within the purview of any particular committee. Key risks associated with the strategic plan are reviewed annually at our board’s strategy meeting and periodically throughout the year. ERM roles and responsibilities are identified for clear oversight and accountability as follows:

**ERM Roles and Responsibilities**

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of directors and committees of the board</td>
<td>Oversight of enterprise risks</td>
</tr>
<tr>
<td>Audit and Finance Committee</td>
<td>Oversight of ERM process</td>
</tr>
<tr>
<td>CEO and Executive Committee</td>
<td>Management of enterprise risks</td>
</tr>
<tr>
<td>CFO</td>
<td>Executive sponsor for ERM</td>
</tr>
<tr>
<td>VP and Treasurer</td>
<td>ERM Process owner</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>Incorporates ERM risks and mitigations into the annual Internal Audit Plan</td>
</tr>
<tr>
<td>Risk Owners</td>
<td>Ownership and accountability of particular ERM risks</td>
</tr>
</tbody>
</table>
Enterprise Risk Management

Marathon Oil employs the ERM process to identify and effectively manage the most significant risks to our business. Led by treasury, the process includes group interviews with senior leaders and key personnel in their organizations, biannual internal risk assessments and risk owner meetings, and an annual board update and discussion. Feedback from the board and senior managers serves as an input into strategy discussions. Enterprise risks are managed through existing and new mitigations and controls supported by the Marathon Oil business plan. ERM ensures accountability by validating risk controls and mitigations, with metrics where possible.

ERM identifies and evaluates risk based on the impact to the organization from an enterprise value perspective and from the perspective of our employees, customers, suppliers, communities where we operate and other stakeholders. Each identified enterprise risk has an owner and an assessor to ensure ownership, accountability and transparency. The risks identified in February 2020, prior to the COVID-19 pandemic, are below:

### Identified ERM Risks

<table>
<thead>
<tr>
<th>Top Risks</th>
<th>Medium Risks</th>
<th>Low Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Change</td>
<td>Compliance</td>
<td>Financial Strength</td>
</tr>
<tr>
<td>Commodity Price</td>
<td>Cyber</td>
<td>Reserves</td>
</tr>
<tr>
<td>EG Sovereign</td>
<td>HES&amp;S</td>
<td>Talent</td>
</tr>
<tr>
<td>Regulatory</td>
<td>Operations Execution</td>
<td></td>
</tr>
<tr>
<td>Resources</td>
<td>Portfolio</td>
<td></td>
</tr>
</tbody>
</table>

Marathon Oil describes our material risks in our forward-looking statement, in the Risk Factors section of our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, and other public filings and press releases. These resources are available at www.marathonoil.com.
Responsible Operations Management System

The Responsible Operations Management System (ROMS) is the framework to drive continuous improvement, ensure regulatory compliance and reduce operational risk across Marathon Oil. Business units must meet the minimum standards for HES&S performance set within ROMS.

The ROMS ownership structure assures accountability and transparency, and promotes knowledge sharing across the enterprise. An executive steering committee oversees ROMS implementation, with business unit-level ROMS committees further driving accountability. Each of the 14 elements has an executive owner, technical advisors and subject-matter experts who drive progress.

<table>
<thead>
<tr>
<th>ROMS ELEMENT</th>
<th>ELEMENT OWNER¹</th>
<th>TECHNICAL ADVISOR²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership and Accountability</td>
<td>SVP, Operations</td>
<td>VP, HES&amp;S</td>
</tr>
<tr>
<td>Regulatory Compliance</td>
<td>Regional VP, Permian</td>
<td>HES Manager</td>
</tr>
<tr>
<td>Risk Assessment and Management</td>
<td>VP, Operations (Oklahoma and Land)</td>
<td>Corporate HES Training and Risk Manager</td>
</tr>
<tr>
<td>Management of Change</td>
<td>RVP; Equatorial Guinea</td>
<td>Corporate HES Training and Risk Manager</td>
</tr>
<tr>
<td>Design and Construction</td>
<td>VP, Operations (Bakken and IPO)</td>
<td>Production Manager</td>
</tr>
<tr>
<td>Safe Work Practices</td>
<td>VP, HES&amp;S</td>
<td>Corporate Health and Safety Manager</td>
</tr>
<tr>
<td>Training and Competency</td>
<td>VP, HES&amp;S</td>
<td>Corporate HES Training and Risk Manager</td>
</tr>
<tr>
<td>Operations, Maintenance and Integrity Management</td>
<td>VP, Operations (Bakken and IPO)</td>
<td>Surface Solutions Manager</td>
</tr>
<tr>
<td>Operational Readiness</td>
<td>Operations Director</td>
<td>HES Manager</td>
</tr>
<tr>
<td>Event Management</td>
<td>RVP; Eagle Ford</td>
<td>Corporate Health and Safety Manager</td>
</tr>
<tr>
<td>Third-Party Services</td>
<td>Operations Director</td>
<td>HES Manager</td>
</tr>
<tr>
<td>Governance and Document Control</td>
<td>Production Manager</td>
<td>ROMS Coordinator</td>
</tr>
<tr>
<td>Audit and Improvement</td>
<td>SVP, Operations</td>
<td>HES Manager</td>
</tr>
</tbody>
</table>

¹Sets priorities and expectations, and tracks and reports progress to Steering Committee
²Facilitates element implementation and monitors progress
HES&S Policies, Standards, Practices and Audits

Mandatory health, environmental, safety and security (HES&S) policies, standards and procedures drive consistency across Marathon Oil, communicate expectations and set performance requirements. Our policies and standards cover a range of activities including Stop Work Authority, Event Management, Control of Hazardous Energy and Hot Work. We update the standards to reflect changes in laws or regulations, and incorporate recommendations arising from audits, incident investigations and lessons learned sharing to drive continuous improvement in HES performance.

Through programs such as Lessons Learned Sharing and Contractor Management, we raise awareness of our requirements among employees, contractors and suppliers.

The ROMS Audit and Improvement element promotes adherence to our standards and regulatory requirements that focus on:

• Tier I: Physical checks of facilities and equipment to ensure conditions are satisfactory

• Tier II: Risk-based audit to monitor effectiveness of processes, procedures and systems

• Tier III: Management system audit to determine conformance and effectiveness of management system expectations

Business units develop plans to address audit findings, track the plans through completion of corrective actions and share lessons learned. Key audit findings and trends are communicated to HES&S leadership and executive management, who then set priorities to seek solutions for gaps or issues that are identified.
Marathon Oil aims to create shared value for our shareholders, employees and communities. We believe a company must produce strong operational and financial performance, as well as address its responsibilities for the environment, society, governance and its workforce in order to be sustainable.

Marathon Oil’s values – to collaborate, take ownership, be bold and deliver results – underpin our efforts to build a sustainable business. Marathon Oil employees are expected to incorporate environmental, social and governance (ESG) processes and activities such as stakeholder engagement when conducting our business.

To address our stakeholders’ critical needs, we look beyond our office walls and operational facilities, and consider the effects of our business decisions, actions and operations.

Collaboration with our employees, managers and board is informed by engagements with our investor, community, nonprofit, government and industry stakeholders. At the board level, the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee assists the full board and informs the Enterprise Risk Management (ERM) process by identifying, evaluating and monitoring trends, issues, practices and concerns related to:

- climate change
- HES public policy
- legislation
- regulations
- political, charitable and educational contributions
- other matters

To address ESG-related risks, our cross-functional Sustainability Forum meets periodically to discuss our sustainability risks and review available mitigations. Forum members include senior leaders from operations, HES&S, investor relations, business planning, law, communications, government affairs and sustainability. In 2019, we formed an Emissions Management Committee (EMC) to evaluate and prioritize available emissions reductions strategies and technologies at an enterprise level.
This figure, which was adapted from IPIECA, provides an overview of how Marathon Oil organizes and communicates our ESG performance within this report.
ETHICAL BUSINESS PRACTICES

LIVING OUR VALUES

We’re committed to being responsible, safe and ethical. Our Code of Business Conduct reinforces the company’s commitment to ethical business practices and applies to all employees, officers, directors and other parties representing Marathon Oil.

Our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, must also adhere to the standards of professional and ethical conduct outlined in our Code of Ethics for Senior Financial Officers.

Within 30 days of employment, every Marathon Oil employee is required to complete online Code of Business Conduct (Code) training and a separate online cybersecurity course, as well as disclose potential conflicts of interest. Active employees are required to complete an annual Code Questionnaire and Certification, and additional Code training on a scheduled basis.

We regularly assess our business environment and update our ethics and integrity programs to address current and emerging risks, and strengthen compliance and mitigations. Our assessment mechanisms include internal monitoring through the Marathon Oil audit and compliance functions and Integrity Helpline, as well as peer and industry benchmarking.

Preventing Corruption and Bribery

Marathon Oil maintains a framework of requirements and procedures to detect, prevent and address potential violations of applicable anti-corruption and commercial bribery (collectively, anti-corruption) laws and to support our commitment to conducting business honestly and ethically. This framework includes an Anti-Corruption Compliance Policy and supporting Anti-Corruption Standard, and well-established processes to address potential anti-corruption risk areas. In addition, Marathon Oil regularly conducts anti-corruption training for relevant personnel as well as international compliance audits.
Reporting Mechanisms

Marathon Oil provides resources for those who want to ask a question about the Code or to report an actual or potential Code violation. These resources include:

• Members of management;

• Marathon Oil organization(s) referenced in each section of the Code;

• Marathon Oil’s Corporate Compliance & Ethics organization at integrity@marathonoil.com; and

• Marathon Oil’s Integrity Helpline, which allows for anonymous reporting by telephone (877-713-8314) or on the internet (www.integrity-helpline.com/MarathonOil.jsp).

Marathon Oil doesn’t tolerate retaliation for good faith reporting of actual or potential Code violations, and retaliation for good faith reporting is itself a violation of the Code.
POLITICAL CONTRIBUTIONS AND LOBBYING ACTIVITIES

PARTICIPATING IN THE CONVERSATION

Marathon Oil promotes responsible energy development and advocates for reasonable and balanced regulations.

We have a three-pronged approach to lobbying:

- Educating our elected officials and regulators on issues affecting the company and our industry
- Elevating the conversation above partisan politics
- Engaging with legislators and regulators to support responsible and reasonable laws and regulations

For example, our subject-matter experts in flaring and emissions management, water management, hydraulic fracturing, well integrity, drilling, completions and safety practices review proposed regulations and legislation. They may provide testimony to legislative bodies, participate in industry working groups and collaborate with stakeholder groups to develop mutually acceptable solutions.

Engaging on Climate Change Public Policy

Marathon Oil shares the oil and gas industry’s commitment to providing abundant, low-cost and reliable energy while reducing carbon emissions. We believe real, lasting climate solutions are driven by innovation and technology breakthroughs that enhance our way of life and reduce emissions.

We support the American Exploration & Production Council’s (AXPC) Climate Principles, which call for energy policy that balances demand for affordable, reliable and sustainable energy with rational and reasonable policies. Consistent with other AXPC member companies, we will support policies that:

- Facilitate meaningful greenhouse gas (GHG) reductions
- Balance economic, environmental and energy security needs
- Promote innovation

AXPC’s Climate Principles represent member companies’ commitment to public policies that recognize the progress our industry is making, without harming American workers, families, small businesses or communities.
Political Contributions

We contribute to candidates and organizations that support responsible energy development. In 2019, Marathon Oil made direct corporate contributions totaling $60,000 to six candidates, political party organizations and political action committees (PAC), as allowed by state law in New Mexico.

Through the Marathon Oil Company Employees Political Action Committee (MEPAC), eligible employees can contribute to candidates for U.S. federal and state elected office. In 2019, MEPAC donated $23,250 to 18 candidates, political party organizations and PACs. MEPAC is registered with the U.S. Federal Election Commission (FEC) and complies with all FEC, state and local rules and reporting requirements.

The Marathon Oil Company Political Action Committee of Texas (MOPAC-TX) donated $2,000 to one state candidate in Texas in 2019. After September 2019, any employee political action committee donations in Texas were made through MEPAC, as MOPAC-TX was dissolved due to a change in Texas law.

MEPAC is managed by a board of employee directors. All PAC contributions are based on a candidate's position on business issues and without regard for the personal political preferences of company executives or PAC board members.

Marathon Oil also makes payments to organizations and trade associations that engage in, among other things, lobbying activities. Through these trade associations, we participate in the U.S. public policy dialogue about critical environmental and energy policies, including rulemaking comment periods regarding issues related to climate change. In the interest of good governance and transparency, we voluntarily report these payments (as more specifically described below), and our policies and procedures for lobbying and political activities, in our Report of Lobbying and Political Contributions.

Our 2019 Report discloses corporate contributions made to tax-exempt 527s and 501(c)(4)s that exceeded $35,000, and which the recipient may use for political purposes. Based on information we received from our trade associations, the report also discloses the lobbying portion of our payments and dues made to trade organizations that, if made directly by the company, would not be deductible under section 162(e) of the Internal Revenue Code and that exceed $35,000.
SECTION III

HIGHLIGHTS
WE’RE TAKING ACTION TO LOWER EMISSIONS

Reducing greenhouse gas (GHG) emissions and intensity across our asset portfolio is central to Marathon Oil’s strategic goal of minimizing our environmental impacts and addressing the risks of climate change.

We prioritized methane emissions reductions in recent years, because we believe it will have the highest impact on mitigating the risks of climate change. Methane is estimated to contribute 25 times the global warming potential of carbon dioxide in the atmosphere.

“We made great strides in 2019 in expanding our capabilities to reduce our emissions and mitigate climate-related risks in our business. However, we know that we need to step up our efforts to drive down the carbon intensity of our operations. To accomplish this, we’re applying best practices across all of our assets and consistently striving for operational excellence.”

— Mike Henderson, Senior Vice President, Operations

Through company-wide investments to continuously improve our air emissions performance, we’ve cut methane intensity 35% and methane emissions as a percent of natural gas produced 38% in the last five years. We use emissions intensity ratings to measure our performance because such measures normalize for changes in activity levels. GHG intensity increased in 2019, partially as a result of gas capture and infrastructure challenges related to our North Dakota Bakken asset. We are diligently taking action to reduce our GHG emissions associated with flaring and other emissions sources.
We’re committed to making further progress as we continue to address the increasing expectations of our investors, communities and other stakeholders. In 2019, we established an Emissions Management Committee charged with identifying high-impact projects across the enterprise to drive down GHG intensity. In addition, our board of directors established a continuous improvement metric in executive compensation calculations and our company scorecard to lower our GHG intensity year-over-year. This ensures that both employees and executives are working toward lower GHG emissions and, more broadly, environmental stewardship. Through our active engagement in The Environmental Partnership, we’re also confronting industry challenges by promoting best practices to reduce flaring volumes and increase gas capture.

Marathon Oil is bringing our top-performing technical and operational expertise to bear to reduce flaring and the associated emissions across our operations. Key operational strategies to reduce flaring include:

- Proactively working with our midstream partners to align infrastructure development with well construction. Currently 99% of our U.S. well pad locations are connected to third-party gas pipelines to reduce flaring and the associated emissions.

- Working with our suppliers to design, construct and complete wells to minimize the need for flaring and venting during well completions and operations.
• Actively monitoring our operations remotely from digital control centers and using data analytics to predict and prevent issues and respond efficiently if needed.

Deploying best available technologies to reduce emissions and enhance gas capture across our operations. These include ultra-high efficiency flares that reduce emissions of methane and volatile organic compounds (VOC) from flaring, and vapor recovery technologies that capture and bring to market natural gas and natural gas liquids (NGL) that would otherwise be flared.

Addressing Infrastructure Constraints in the Bakken

We’re particularly focused on mitigating the impacts of ongoing gas capture infrastructure limitations causing increased flaring in our Bakken asset. While industry natural gas production has been increasing in the Bakken, mid-stream gathering and processing service providers continue to build out the necessary infrastructure. Currently 98% of our well pad locations in the Bakken are connected to third-party gas pipelines to reduce flaring and the associated emissions.

In 2019, we took concrete actions to expedite delivery of critical infrastructure to aid gas capture efforts that will reduce flaring in the Bakken. This involved working closely with our third-party midstream providers, including sharing our drilling plans and production forecasts with their senior leaders to encourage timely buildout of the infrastructure. We appointed a company midstream manager in Bakken whose primary focus is securing access to midstream infrastructure. Biweekly technical review meetings with our third-party providers focused on proactively managing our development plans, and we assigned dedicated resources to support our third parties with right-of-way efforts. As we addressed these constraints, Marathon Oil remained in compliance with all applicable state emissions regulations.

In our field operations, we use NGL units to reduce the volumes of gas flared by condensing NGLs from the gas stream that would otherwise be flared due to lack of a gas connection or gas takeaway capacity constraints. In 2019, we processed over 1 BCF of natural gas with NGL units in Bakken. We also developed a gas capture model to ensure we’re integrating gas capture requirements into our future development plans.

While year-over-year raw gas capture in 2019 was down slightly due to the timing of third-party midstream infrastructure projects, we expect to make a step change in our Bakken gas capture to approximately 90% in third quarter of 2020, which would also push our corporate gas capture to about 98%.

Our asset team is evaluating potential future capital projects in parallel with the Emissions Management Committee's efforts to identify practices, strategies and projects to lower GHG intensity.
Infrastructure and Technology Solutions to Cut Emissions

To reduce flaring in our Permian Basin asset, we’re addressing the emissions source. Through proactive engagement with our midstream partners, we’ve aligned infrastructure development with drilling plans to ensure that the necessary gas capture, storage and pipeline equipment is in place as wells come on stream. This holistic approach reduces – or in some cases eliminates – the need for flaring in the early stages of the well’s operating life. After initiating this approach, flaring emissions in the Permian in the second half of 2019 were lower than the first half of the year. We continue to see improved performance in gas capture in 2020.

In the Eagle Ford, our automated field service management system (FSM) enables us to make flare repairs the highest maintenance priority. When our SCADA system detects a potential unlit or malfunctioning flare, it immediately alerts our digital operations control center (OCC). An OCC operator verifies the alert and if needed, creates a high-priority task in the FSM system, which automatically schedules and dispatches a skilled operator or maintenance technician to perform the repair. We’re expanding this streamlined digital functionality across our assets in 2020 to further expedite repairs that can reduce emissions.
For nearly two decades, Marathon Oil has operated our world-class Punta Europa integrated gas business in Equatorial Guinea (EG), West Africa.

We’ve established the largest petroleum sector facility in the country, including a liquefied natural gas processing facility and one of the largest methanol production facilities in Africa.

Since first investing in EG in 2002, we’ve developed a largely national workforce, contributed to local economic sustainability, and helped develop human capacity focused on community health and education. Our long-term commitment to eradicating endemic malaria on Bioko Island has improved public health and the quality of life. We’ve accomplished all of this with a focus on being a responsible, safe and ethical operator.

Now, as the country’s currently developed natural gas and associated liquids production declines, we’re working with the government of Equatorial Guinea and our partners on the next phase of our business. Together, we’re creating the Gas Mega Hub in the Gulf of Guinea region, with Punta Europa as the center of the hub. It will process and liquefy gas from proximate fields in Equatorial Guinea and neighboring countries, starting with delivering wet gas from the offshore Alen Field by pipeline to Punta Europa for processing and liquefaction.

We’re also pursuing other resource opportunities for future phases of development. Our goal is to keep all Punta Europa facilities operating at maximum capacity for the foreseeable future and maintain the economic and social benefits the business brings to the country.

Developing Our National Workforce

Through recruiting, training, workforce integration, and educational and vocational programs, we seek to increase the percentage of national citizens in our workforce in Equatorial Guinea. We’re also developing and promoting Equatoguineans into supervisory and leadership roles. With over 750 national citizens employed directly or indirectly at Marathon EG Production Limited (MEGPL), Equatoguineans grew to be 84% of the total MEGPL workforce in 2019. In addition, Equatorial Guinea LNG Holdings Limited (EG LNG) and Atlantic Methanol Production Company (AMPCO) employ another 450 national workers.

84%
Percentage of Equatoguineans in MEGPL workforce*  
*Year-end 2019
Over the past five years, more than 80 Equatoguinean students attending universities within and outside of the country have received on-the-job experience through our internship programs during their academic breaks. Our partnerships with government educational institutions like “12 de Octubre” Technical College and the National University of Equatorial Guinea (UNGE) demonstrate our ongoing commitment to building local capacity in the oil and gas sector. In addition, four Equatoguineans are currently seeking degrees at the University of Houston and Prairie View A&M University in Texas, USA, on MEGPL scholarships. Two out of the four scholarship students will graduate in 2020 from this long-term program.

**Strengthening Local Supply Chain**

We contribute to economic sustainability in Equatorial Guinea by increasing local supplier capabilities in our operations. Since 2013, MEGPL has spent approximately U.S. $1 billion with Equatoguinean vendors that are 35% to 100% locally owned, and in 2019, 84% of our contract services and 22% (compared to 12% in 2010) of purchased materials were awarded to locally owned contractors. To increase local purchasing, we have organized engagement programs and training sessions for local suppliers, and developed market baskets of frequently purchased items to present for bid to suppliers.

Our local procurement staff shares information on upcoming contracts at regular meetings with local vendors and provides a procurement plan to the Ministry of Mines and Hydrocarbons National Content Director twice per year. The distribution of procurement plans is followed by an interactive session with service providers and suppliers to answer questions and provide additional information for items listed in the procurement plan. In the same sessions, participants receive refresher training on the Punta Europa procurement and tendering process. We continue to work with the EG National Alliance of Hydrocarbons Services Company (NAHSCO) in all presentations, seminars and workshops.

To help local businesses through the process, MEGPL, EG LNG and AMPCO continue to collaborate through the Punta Europa National Content Committee. The committee offers a simplified new vendor set-up process across the three companies, identifies and consistently engages local providers of materials and services, and hosts seminars to discuss commercial processes and underscore each company’s commitment to health and safety. It also presents strategies to increase participation of Equatoguinean supplier and service providers. In February 2020, the Punta Europa companies, for the first time, jointly presented the procurement plan in both Malabo and Bata.
Keeping Our Workforce Safe

We achieve world-class safety performance and minimize environmental impact in Equatorial Guinea by investing in health, environment and safety (HES) activities. MEGPL, EG LNG and AMPCO had a combined Total Recordable Incident Rate (TRIR) of 0.17 in 2019, with over 5 million hours worked. MEGPL achieved a full year without an OSHA recordable event or a Lost Time Incident (LTI) and no spills to the environment.

Our safety improvement efforts in 2019 included more than 1,200 leadership safety engagements and more than 5,000 behavior-based safety observations. We conducted an awareness campaign to reduce the potential for dropped objects – the most common cause of incidents and injuries.

In addition, our Workforce HES Committee, which serves as the safety link between management and employees, sponsored a safety campaign to raise awareness of fire safety at home. The committee engaged with the community and demonstrated the proper use of fire extinguishers to more than 200 children and their families, as well as shared the importance of escape plans and preparedness.

In 2019, MEGPL and EG LNG assessed continuous improvement opportunities in the implementation of the Responsible Operations Management System (ROMS) to inform action plans for 2020.

Improving Public Health and Quality of Life

MEGPL’s primary social investment in Equatorial Guinea is the Bioko Island Malaria Elimination Project (BIMEP), a 16-year, multi-system public health program. The BIMEP, including a vaccine initiative, is implemented by Medical Care Development International, an American nongovernmental organization (NGO), and funded through a public-private partnership of Marathon Oil, Noble Energy, AMPCO and the Government of Equatorial Guinea.

The BIMEP combats the endemic mosquito-borne disease with a series of integrated malaria control measures centered on:

- distribution of long-lasting insecticide nets (LLIN), targeted indoor residual spraying and larval source management;
- intermittent preventive therapy for pregnant women and malaria case management;
- epidemiological surveillance and vector monitoring; and advocacy.

In addition to these standard malaria control efforts, BIMEP has introduced a malaria vaccine component. All BIMEP malaria control interventions are provided free of charge to all residents on Bioko Island.
Through the BIMEP, we are striving to improve lives in line with two United Nations Sustainable Development Goals (SDG):

• SDG3: Ensure healthy lives and promote well-being for all at all ages
• SDG9: Build resilient infrastructure, promote sustainable industrialization and foster innovation

The BIMEP, in collaboration with the EG Ministry of Health and Social Welfare, has invested more than U.S. $148 million in this effort since 2004.

Of the investment in the BIMEP, U.S. $93 million has been applied to build national capacity with a malaria intervention team. Over 300 Equatoguineans are employed as spray team operators, case management and study doctors, laboratory technicians, entomology technicians, geographical information system technicians and community outreach workers dedicated to malaria education and behavioral change nationwide.

All economic sectors, the health sector and all socio-economic levels of Equatoguinean society, especially people with the least means, have realized positive impacts from the BIMEP. The project’s major accomplishments in the fight against malaria include:

• 63% reduction in the malaria parasite prevalence (from 45% in 2004 to 16.6% in 2019)
• In excess of 63% reduction of all-cause mortality among children under 5 years old (largely attributed to malaria interventions)
• 97% reduction in severe anemia under 5 years old (from 15% in 2004 to 0.5% in 2019)
• 97% reduction in the rate of transmission of the parasite by the vectors (from more than 1,000 infected bites per person per year in 2004 to fewer than 26 potentially infected bites per person per year in 2019)
• Elimination of one of the three main malaria vector species (An. funestus)
• 77% reduction in anemia and 68% reduction in parasite prevalence in pregnant women
• Improved access to diagnostic services and malaria treatments
• Continued providing LLINs and intermittent preventive treatment to pregnant women visiting prenatal care facilities
In addition, the BIMEP won the overall 2019 P3 Impact Award and the Audience Choice Award for being a leading cross-sector collaboration that features public, private, nonprofit or non-governmental organizations addressing societal challenges. BIMEP was the first project to win both the P3 Impact Award and the Audience Choice Award. The awards – presented by Concordia, the University of Virginia Darden School Institute for Business in Society and the U.S. Department of State’s Office of Global Partnerships – recognize a keystone of our commitment to our business in Equatorial Guinea.

These outcomes opened the door to fund development of a candidate vaccine that protects recipients from malaria infection. Marathon Oil and our BIMEP partners have invested U.S. $51.7 million for the trials of a highly promising vaccine product to block malaria transmission in humans and mosquitos. Trials of the PfSPZ Vaccine® developed by the U.S. biotechnology company Sanaria, Inc., are underway.

The positive effects of the vaccine initiative continue to ripple through Equatorial Guinea. Over 100 Equatoguinean doctors, nurses, lab technicians, pharmacists and other support staff have been trained to run the vaccine trials. Infrastructure created by the BIMEP enables the Government of Equatorial Guinea to participate in the international medical science research arena. Equatorial Guinea established its first internationally recognized national ethics review committee, and instituted a food and drug regulatory office within the Equatoguinean Ministry of Health and Social Welfare.

In February 2019, the Ministry opened a reference laboratory in Baney, where the BIMEP research team trains and supports Equatoguinean laboratory and clinical professionals to carry out diagnostics and biological analytics at an international level. In the future, the lab will seek to become a World Health Organization (WHO) certified reference lab with the goal of serving Equatorial Guinea and the Central African
economic and monetary community (CEMAC) region. The vaccine initiative embarked on the following key activities during 2019:

- Completion and unblinding of the EGSPZV3 vaccine trial seeking to collect data on safety, tolerability, immunogenicity and protection that indicate the best regimen(s) for further development of the vaccine.

- Completion of the Equatorial Guinea Malaria Epidemiology (EGMALEP) incidence study meant to establish a baseline malaria epidemiology in preparation for the Phase III EGSPZV4 vaccine trial on the island. The aim was to collect data on malaria incidence to be able to determine the sample sizes required for the phase III trial.

- Recruitment and training of new staff for the EGRESPAR and EGSPZV4 studies. As part of the Phase III EGSPZV4 vaccine trial, a pilot study entitled “Study to optimize the procedures of recruitment and evaluation of participants for future clinical trials and create a registry of possible participants of research studies in the Island of Bioko, Equatorial Guinea” (EGRESPAR) began in the third quarter. A total of 36 new employees, including doctors, nurses, mobilizers, registrars and facilitators were recruited and given intensive trainings on the studies’ standard operating procedures/protocols, Good Clinical Practice (GCP) and Good Laboratory Practice (GLP).

In 2020, the BIMEP vaccine lab in Baney was endorsed by the World Health Organization to test and diagnose COVID-19 on behalf of the EG Ministry of Health. The MEGPL CSR team led the development of the lab as part of our capacity building efforts in EG.

Capacity Building for Health and Education

We invest in human capacity building focused on health and education in Equatorial Guinea. In 2018, MEGPL provided U.S. $780,000 to fund a pediatric nurse training program in collaboration with the Foundation for Nursing Development, the EG Ministry of Health and Social Welfare and the National University of Equatorial Guinea (UNGE). The two-year program is training 55 nurses in the most up-to-date methods and skills required to practice pediatric nursing in a low-tech environment. The first academic year of the training program was completed with very good performance: 51 of the 55 trainees passed all required tests and were promoted to the second year of the training program. The
A Clear Vision for Equatoguinean Youth

We’re committed to helping Equatoguinean youth improve their academic and social opportunities. To ensure youth with eyesight issues get proper care and medical attention, MEGPL started the Ver Bien EG Project in 2017. Our corporate social responsibility staff is trained to screen children for eyesight issues in certain private and public primary schools on Bioko Island. After screening over 3,000 youth and delivering over 250 prescription eyeglasses, MEGPL decided it was time to expand Ver Bien nationally. To acquire additional resources needed to improve project coverage and impact, we began establishing partnerships with important organizations in the country interested in Ver Bien’s goal.

In 2019, through collaboration with ONCIGE and Doctor Cruz Clinic, the MEGPL CSR team ran this year-round, school-based intervention of vision services for children attending primary and secondary schools on Bioko Island and Bata. The program provided early detection of visual impairment by diagnosing visual deficiencies through vision screening and clinical examination, as well as treatment with corrective eyeglasses. The project screened over 6,000 children for vision issues, provided over 600 clinical eye examinations and donated 450 prescription eyeglasses to youth in 2019. MEGPL will invest U.S. $150,000 in 2020 to continue expanding Ver Bien’s services and impact focusing on Bioko Island and Bata, where we expect to serve nearly 50% of the entire country’s school age population.
Respecting Human Rights

We adhere to well-established and effective security and human rights policies, and have had no known security-related incidents resulting in a human rights violation in our operations since acquiring the asset. We employ a proprietary guard force to protect our onshore facilities and engage with the Navy of Equatorial Guinea to protect offshore facilities. In 2019, we worked with the Government of Equatorial Guinea and the U.S. Coast Guard to review the International Ship and Port Facility Security to enhance safety and security at the country’s ports.

Supporting Transparency

Marathon Oil supports transparent reporting of revenue flows from oil and gas production as a means to strengthen governance and manage risk. In late 2019, Equatorial Guinea submitted its candidacy application to the International Secretariat of the Extractive Industries Transparency Initiative (EITI). The EITI Board welcomed the application to implement the EITI and progress made, tasking the International Secretariat with providing the necessary support going forward.

Marathon Oil’s operations in Equatorial Guinea continue to demonstrate how an oil and gas company can run a safe and responsible enterprise, promote strong governance and build long-term shareholder value.
Unconventional Thinking

We’re making data more consistent, accessible and integrated – putting it to work to achieve our goal to be a low-cost, high-margin producer. We’re an oil and gas company, but now also a tech company with a future defined by open access to data that represents a single source of truth for all to use.

Marathon Oil has made significant progress in using technologies and data to achieve operational excellence and boost business performance. We’re able to monitor the health of our fields remotely in real time, proactively manage our production assets, predict production early in a well’s life and automate wells, facilities and repetitive tasks. As a result, we’ve increased efficiency, enhanced well and facility uptime, improved safety and environmental performance and lowered costs.

"We're using unconventional thinking to solve problems and drive the power of data even further.

Smart Scheduling

One example of putting data to work is our field service management (FSM) system that combines work practices, processes and technology. FSM optimizes maintenance, measurement, pigging, production operations and our digital oilfield operations control centers (OCC). Using FSM, we're addressing the challenge of managing these key processes on a fully mobile platform that operators can access in real-time on their smartphones.

Enterprise systems such as SCADA and SAP Plant Maintenance automatically feed equipment maintenance and operations tasks into the system. Work is prioritized and scheduled based on predefined business rules and objectives, and then individuals or crews that meet the required skill set are automatically dispatched. It also assigns the optimal driving route, which reduces drive time and the associated risk of accidents. Operators in the OCC monitor work execution in real time to ensure efficiency and workers’ safety.
The FSM system – a platform customized for Marathon Oil’s needs – is the outgrowth of data aggregation that started when we opened our first OCC in 2016. A small team of Marathon Oil employees collaborated with the vendor to configure, test and implement the FSM system in our Eagle Ford asset in 2019. We’re using lessons learned from the data captured to date to drive continuous improvement in Eagle Ford and implement FSM in our North Dakota Bakken and Oklahoma assets by year-end 2020.

Using the same core technology as FSM, we’re addressing the complicated and costly challenge of managing the produced water disposal process. In the Permian Basin, where we generated over 100,000 hauls of produced water in 2018, the existing process of identifying and scheduling vendors was time-consuming and inefficient. The transportation management system (TMS) we developed combines our OCC, vendor dispatchers and truck drivers onto a common mobile workflow platform. It schedules haulers in advance, assigns the most efficient and safest driving route, tracks progress from the OCC in real time using GPS and assures delivery to an approved water disposal site.

All hauls are confirmed against a set of asset-specific business rules and validated job tickets are entered into SAP, eliminating the need for the vendor to send an invoice, and improving the accuracy of payables. We’re seeing positive results from faster haul times, more accurate information, alignment and compliance with our contract terms and better visibility into the overall process in the Permian Basin. We plan to implement TMS in our other basins by the end of 2020.

Driving Differentiation

Other targeted innovations developed by our employees are having a meaningful impact in the field. They include an automated dashboard to optimize operator routes in the Permian Basin and a data-driven, integrated automated workflow to optimize completions and well spacing in hours instead of weeks.

This unconventional thinking is apparent throughout Marathon Oil. Our finance and accounting and global supply chain teams automated repetitive tasks through robotic process automation, allowing employees to spend their time on higher-value work.

In addition, we’re combining the digital and physical worlds to address issues such as microbial induced corrosion (MIC) that can lead to pipeline leaks. The Eagle Ford asset team is using pipeline inspection data and our knowledge of our pipeline systems to try to predict where we need to remediate pipelines to prevent leaks. If successful, this predictive model would improve our environmental performance, strengthen our reputation as an operator and save money.
Physics, geology and engineering - the physical world - are still foundational and must be understood to extrapolate outside the bounds of today’s data set. The physical world will be augmented by a parallel, complementary digital world driven by immense data sets created in real time that provide a platform for predicting expected outcomes and testing near infinite business scenarios. Both worlds are essential and will converge for higher confidence, more predictability and better decision making.

"We believe that integrating the digital and physical worlds will truly differentiate Marathon Oil and set the foundation for more innovation in the future."

Marathon Oil will continue to embrace digital technology and drive innovation to achieve our goal to be a low-cost, high-margin producer with safe, clean and responsible operations.
SECTION IV

ENVIRONMENT
MINIMIZING OUR IMPACT ACROSS OPERATIONS

We believe that protecting the environment is about more than just complying with regulations. We believe it’s earning our license to operate each and every day and being a valued member of the communities in which we work.

Safe, environmentally responsible operations are central to our company values and a key part of our commitment to our stakeholders.

Our reputation enables us to maintain the trust of our stakeholders and to generate long-term value in our business. To achieve this, we aim to continually evaluate the impact of our operations on the people living in our communities and have a long-standing commitment to harnessing innovation to lessen our impact on both people and the environment.

Full compliance is embedded in our corporate values as a minimum standard. However, we strive to go above and beyond regulatory requirements and we continue to invest in environmental performance in order to achieve that goal.

Providing Additional Transparency

Our Environmental Management Standard guides our business units in identifying environmental risks relevant to our operations. To mitigate environmental impacts, we’ve developed sound practices for local and regional management of emissions, water, waste and sensitive habitats. These practices include:

- Complying with all applicable regulations and exceeding them as appropriate; for example, in Equatorial Guinea we go beyond regulatory compliance to follow relevant World Bank Guidelines;

- Identifying, evaluating and implementing solutions to reduce air emissions, waste and fresh water use, and prevent spills;

- Reviewing waste disposal facilities prior to use in order to minimize negative outcomes, such as induced seismicity or mishandling of waste products;

- Tracking environmental performance, and reporting data and management practices to internal and external stakeholders; and,

- Conducting appropriate due diligence prior to major acquisitions to determine any potential environmental issues or liabilities.

DIVE DEEPER

Addressing Climate Change

We’re Taking Action to Lower Emissions

Water: Managing a Valuable Resource

Environmental Stewardship

It’s about more than our license to operate
To align with stakeholder interest and climate guidance frameworks, we have expanded disclosures related to our methane and air emissions. In addition, this Sustainability Report incorporates key elements of our initial climate risk report we issued in 2019, aligning with the format advocated by the Task Force on Climate-related Financial Disclosures (TCFD). In this report, we’ve added a discussion around scenario analysis.

**Innovating To Minimize Environmental Impact**

Marathon Oil acknowledges our role in the industry's dual challenge – providing affordable, reliable energy to meet growing global demand while also minimizing environmental impacts of exploration, production and energy use.

Although we firmly believe that oil and gas development will remain crucial to the world economy for the foreseeable future and an integral part of any future energy transition, we recognize the increasing interest of our stakeholders in carbon-related policy initiatives and alternative energy sources. Marathon Oil is committed to ensuring that we can sustainably deliver the energy the world needs, in a way that fosters long-term value creation. The measures we have taken include low-carbon transport of our products and waste, and implementing new technologies to minimize emissions and fresh water use.

**A Priority From The Top Down**

Our sustainability efforts inform our risk management processes and our business strategy. The senior vice president of operations has overall leadership accountability for our environmental performance. Oversight is provided by the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of the board of directors. In addition, all directors bring experience and understanding of industry regulatory issues to their board role.

The cross-functional Sustainability Forum ensures that the highest level of operational management identifies, assesses and prioritizes climate-related risks. Forum members include leaders from operations, HES and security, investor relations, business planning, law, communications, government affairs and sustainability.

In addition to the strategic direction and oversight from the board and the forum, our Responsible Operations Management System (ROMS) consists of policies, procedures and guidelines designed to minimize health, environmental and safety risks, ensure compliance with regulations, and drive performance improvement in key metrics.
Performance Highlights

Highlights of our environmental management and performance in 2019 include¹:

• Achieved an approximately 35% decrease in methane intensity, and a 38% decrease in methane emissions as a percent of natural gas produced, over a five-year period. This was largely due to the elimination of routine usage of high-bleed pneumatic controllers, a goal we met ahead of schedule, and rapid repair of any leaks discovered by our leak detection and response (LDAR) program.

• Performed over 1,600 infrared camera surveys at over 800 sites, on over 1.75 million components, achieving a methane leak rate of approximately 0.07%. In addition, we routinely survey pneumatic controllers and pumps for incorrect operation, exceeding federal requirements.

• Participated in workshops through The Environmental Partnership to share industry best practices and new technologies for preventing, finding and detecting emissions. Marathon Oil was a founding member of this partnership of U.S. oil and natural gas companies committed to continuously improving the industry’s environmental performance and reducing emissions of methane and volatile organic compounds (VOC).

• Added a GHG emissions intensity metric to our executive compensation scorecard that establishes an objective of continuous improvement.

• Reduced fresh water intensity approximately 19% from 0.32 to 0.26 million barrels of fresh water per million BOE produced.

• Increased low carbon transport of produced water by approximately 96%, utilizing Marathon Oil-owned pipelines and midstream transportation providers.

• Reduced the number of spill incidents exceeding one barrel outside of containment by approximately 35%.

• Implemented industry-leading plans to prevent and mitigate seismic activity in our operations, such as automating notifications when any seismic activity is detected around saltwater disposal wells or active stimulations trigger our response procedure.

• Served as an advising member of the New Mexico Produced Water Research Consortium, which seeks to research the potential to utilize treated produced water for beneficial use outside of the oilfield.

¹All comparisons relative to 2018 performance unless otherwise stated
Marathon Oil recognizes the impact of greenhouse gas (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. At the same time, we recognize the need for reliable, affordable energy and petrochemical feedstock to fuel global economic progress and increasing energy demand.

As part of Marathon Oil’s commitment to sustainability and managing climate-related risks, we work to establish business processes to reduce our emissions and to mitigate both current and future transition risks to our business. Engagement with external stakeholders to understand their perspectives is a vital component of this effort.

To drive continuous improvement across our organization, we added a metric focused on GHG emissions intensity to our corporate scorecard in 2020.

In recognition of stakeholder concerns about the financial impacts of climate-related risks, we published a climate risk report in 2019. The report covered our governance, strategy, risk management and metrics around climate risk consistent with the format advocated by the Task Force on Climate-related Financial Disclosures (TCFD) framework. This 2019 Sustainability Report integrated these key elements of the climate risk report and incorporated them into a comprehensive view of our non-financial performance.
The Enterprise Risk Management (ERM) and Responsible Operations Management System (ROMS) processes are the primary internal assessment tools we use to identify and communicate climate-related risk.

In 2019, we added climate change risk oversight to the charter of the Health, Environmental, Safety and Corporate Responsibility (HES&CR) committee of the board of directors to highlight how seriously we approach robust understanding and evaluation of climate risk. This committee identifies and monitors climate related trends, issues, legislation, policies, practices and concerns. Internal risk assessors present ERM process outcomes related to climate risk to the HES&CR, audit and finance committees to inform the board’s oversight responsibilities.

Operational leaders identify, assess and manage air emissions and other aspects of climate change risk using ROMS. The ROMS executive steering team and owners of relevant ROMS elements are then accountable for driving performance improvement, including managing climate change risk.

Our cross-functional Sustainability Forum meets periodically to discuss our sustainability risks and review available mitigations. Forum members include senior leaders from operations, HES and security, investor relations, business planning, law, communications, government affairs and sustainability. In alignment with our corporate goal to continuously improve emissions intensity from our operations, in 2019 we formed an Emissions Management Committee (EMC) to identify, prioritize and drive implementation of high impact emissions reductions strategies and technologies.
Marathon Oil employs the ERM process to identify and manage the most significant risks facing the company, with the goals of facilitating risk oversight by the board, ensuring enterprise risks are managed effectively and ensuring accountability for risk management.

Through our ERM process, our board and management examine a wide range of strategic, reputational, operational and financial risks that could impact the company. The primary potential climate-related risks identified through the ERM process are:

- Market forces that could affect commodity prices, including renewables uptake and pace of energy transition,
- Access to capital markets,
- Evolving U.S. federal and state and global climate change policies, laws and regulations,
- Chronic physical risks (such as persistent drought, fire frequency and sea level rise),
- Business interruption and physical risks from changing weather, and
- Value chain disruption.

Marathon Oil continues to evaluate and enhance our risk assessment processes to ensure company leaders have the information they need to manage climate risk.
MARATHON OIL’S ENTERPRISE RISK MANAGEMENT STRUCTURE

Marathon Oil Board of Directors
Provides oversight of enterprise risks

Audit & Finance Committee
Provides oversight of the ERM process

CEO & Executive Committee
Management of enterprise risks

Internal Audit
Incorporates ERM risks and mitigations into annual audit plan

Risk Owners
Accountable for management of individual enterprise risks

CFO
ERM Executive Sponsor

VP & Treasurer
ERM Process Owner
Strategy to Mitigate Our Risks

We evaluate our business model using our risk assessment tools and governance models, and monitor and mitigate risks to our business strategy related to climate change. We also assess climate-related opportunities to create long-term value for our stakeholders.

Marathon Oil has a track record of more than a century of strategic adaptation. We’ve transformed from an integrated oil and gas company to an independent exploration and production company (E&P), and shifted our emphasis from global, conventional production to U.S. unconventional resource plays. Our proven adaptability to major shifts in the energy markets demonstrates an ability to respond to a lower carbon energy future and remain a viable provider of energy to global markets.

<table>
<thead>
<tr>
<th>Climate-related Risk</th>
<th>Management Strategy</th>
</tr>
</thead>
</table>
| Market forces, access to capital markets and renewables penetration | • Nimble four-basin model  
• Low-cost, high-margin business model  
• Robust balance sheet |
| Laws and regulations | • Emission reduction technologies  
• Voluntary industry initiatives  
• Government engagement |
| Acute weather events | • Emergency response and business continuity planning |
| Chronic weather risks | • Sustainable water sourcing and management |
| Value chain disruptions | • Flexible global supply chain management  
• Multi-vendor strategy for critical products and services |
RISKS: MANAGING OUR BUSINESS FOR RESILIENCE TO MARKET FORCES

Marathon Oil executes our business strategy to be the lowest-cost, highest-margin, U.S.-focused resource play operator, a strategy which mitigates the risks of lower market demand.

Through unwavering capital discipline and a focus on corporate returns, we’re able to live within our operating cash flows while improving our capital efficiency, all of which affords us the financial flexibility to progress our business plans across a broad range of price outcomes. By working to reduce our emissions intensity, we also continue to position ourselves as a low-cost producer as policies to reduce GHG emissions continue to evolve.

We have concentrated and simplified our asset portfolio to generate a competitive advantage and deliver value to our shareholders. This strategic focus lowers our overall enterprise risk and enhances financial performance. Over the last 10 years, we’ve divested higher-cost, higher-risk, lower-margin assets including Canadian oil sands, Libya, the U.K. and Norway North Sea, Kurdistan, Wyoming and conventional offshore exploration. We also spun off our downstream operations in 2011.

By divesting these operations, we reduced our overall environmental footprint and climate-related risk as these assets tended to have higher GHG and methane emissions intensities, as well as greater fresh water use and associated waste. Our multi-basin U.S. model with assets that span the development cycle is complemented by our long-life, low-decline integrated gas business in Equatorial Guinea. As a result, today we believe we are less exposed to geopolitical and execution risk. Our low-cost, high-margin U.S. assets also ensure a low enterprise break-even that mitigates commodity price volatility, lowering the risk of stranded assets.

We make capital investments after examining a variety of data, including external commodity price forecasts that incorporate estimates of climate-change related factors. These projections, along with company-specific insights and guidance, inform our internal Marathon Oil forecasts. Potential investments are stress tested on non-escalated price forecasts that are typically at or below the lower range of available forecasts to ensure they are resilient at lower price levels. Profitability and capital allocation are based on expected prices, and projects must meet specific financial targets and/or strategic objectives to be sanctioned.

Marathon Oil allocated over 95% of our capital expenditures to short-cycle, unconventional resource plays in 2019, and our tactical planning horizon is typically five years, consistent with SEC rules governing proved reserve booking. While our portfolio models are longer-term and include life of field evaluation, with our focus on short-cycle resource plays, we believe that multi-decade scenario analysis would not provide decision-useful information to our stakeholders.
IPIECA’s 2019 awareness briefing (The role of scenario analysis in climate reporting) points out the risks of scenario analysis for independent E&P companies. The briefing states that “companies are valued on proven reserves, which are usually monetized over a shorter horizon than, for example, the extent of the International Energy Agency (IEA) Sustainable Development Scenario (SDS), thus indicating that the risk of ‘stranded assets’ is small and unlikely to be indicated by such scenario comparison.”

In response to continuing interest from our stakeholders, Marathon Oil has conducted a scenario analysis to test the robustness of our portfolio model against the SDS referenced in the International Energy Agency’s (IEA) 2019 World Energy Outlook report (the IEA Report). The use of the IEA scenarios doesn’t indicate that Marathon Oil believes that these scenarios are accurate predictions of the price of oil. The IEA Report indicates that its SDS represents an integrated approach to reach the key energy-related goals of the United Nations Sustainable Development Agenda.

We compared our portfolio model for the next decade to the IEA sustainable development pricing model. We assumed a carbon price that was applied to projected emissions over this decade using the IEA 2019 World Energy Outlook report forecasts. We also assumed for conservatism in this scenario analysis that we would add no additional inventory to our portfolio model during this time period.

Even under the IEA’s most stringent pricing forecasts as described in the SDS, our models show resiliency of our portfolio out to a minimum of 2030, assuming no change to current resource base.

Finally, Marathon Oil has internal financial metrics in place to incentivize achievement of our low-cost, high-margin strategy. Over 70% of our 2019 short-term incentive scorecard was financially oriented and long-term incentives are driven by share performance and total shareholder return.

In short, Marathon Oil believes that our low-cost, high-margin approach is the right strategy to allow our company to adapt to a variety of commodity price scenarios. Metrics and targets that incentivize this result are set forth in our corporate scorecard and linked to executive and employee pay. In 2020, we added a specific climate-related metric to the strategic objectives within our corporate scorecard.

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1 For the purpose of this analysis, we used our most recent long-term portfolio model, established at the end of 2019.
2 This model contains forward-looking statements, and actual results could differ materially.
**RISKS: REGULATORY**

We are subject to numerous legal, regulatory and other requirements intended to protect the environment, including those relating to natural gas flaring, and greenhouse gas and methane emissions.

We remain committed to complying with or exceeding legal and regulatory requirements, and have incurred and may continue to incur capital, operating, maintenance and remediation expenditures as a result of these laws, regulations and other requirements.

We believe that the scientific and political attention on issues concerning the extent, causes of and responsibility for climate change will continue, with the potential for further regulations that could affect our operations. Finalization of new legislation, regulations, initiatives or international agreements in the future could result in increased costs to operate and maintain our facilities, capital expenditures to install new emissions controls at our facilities, and costs to administer and manage any potential greenhouse gas emissions or carbon trading or tax programs.

The United Nations Framework Convention on Climate Change finalized an agreement among 195 nations at the 21st Conference of the Parties in Paris (the Paris Agreement) with an overarching goal of preventing global temperatures from rising more than 2 degrees Celsius. While the U.S. hasn’t adopted the recommendations of the Paris Agreement, it previously set an economy-wide target to reduce GHG emissions by 26-28% below its 2005 levels by 2025. This goal and other associated implementing regulations or legislation could be reinstated in the future. As of April 2020, U.S. GHG emissions were estimated to have fallen by approximately 10% between 2005 and 2018.³

Our primary strategies for managing regulatory risk are applying technologies to reduce emissions; participating in voluntary industry initiatives to reduce emissions; monitoring proposed regulatory or legislative changes; and engaging in the regulatory and legislative process at all levels of government. These are discussed elsewhere in this Report.

³ 2018 represents the latest available data from EPA.
RISKS: WEATHER AND VALUE CHAIN

Many scientists have concluded that the increase in greenhouse gases in the earth’s atmosphere may produce climate changes that have significant chronic physical effects.

This includes more frequent and severe droughts and higher sea levels, in addition to acute physical risks like increased frequency and severity of storms, and floods. If any of these do occur in our operating areas, we could experience safety or environmental concerns, downtime or damaged equipment, or other incidents at our sites. These risks are managed locally by asset to ensure the most effective mitigation strategies are implemented for the area of concern. Water Stewardship and Emergency Response are discussed elsewhere in this Report.

Managing Value Chain Risk

Our value chain is subject to some of the same climate-related physical risks as Marathon Oil, and we manage these largely through contractual risk allocation and other terms and conditions. We maintain a diverse set of critical suppliers and service providers to ensure that we maintain competitiveness and flexibility. We constantly evaluate ways to be more efficient and nimble in managing our value chain, including through business interruption planning and vertical integration such as self-sourcing specific goods and services.
Metrics that incentivize our company’s low-cost, high-margin strategy are set forth in our corporate scorecard and linked to employee pay.

We recognize that reducing air emissions from our operations is crucial to maintaining our license to operate. Please see the discussion of our air emissions performance for further details of our emissions reduction performance.

Emissions Reporting Methodology

To determine the overall greenhouse gas (GHG) emissions across our drilling, completions and production operations, we inventory a range of emissions sources, including flares, storage tanks, fugitive emissions from equipment leaks, engines, liquids unloading, pneumatic devices and electricity usage.

We report our direct emissions (Scope 1) and indirect emissions (Scope 2) as defined by the IPIECA/API/IOGP Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions on an operated basis. We calculate Scope 1 direct emissions from U.S. facilities using EPA's Greenhouse Gas Mandatory Reporting Rule. We calculate emissions in our facilities in Equatorial Guinea using the API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry. Our Scope 2 indirect emissions are calculated based on purchased electricity consumption using EPA's eGrid (Emissions & Generation Resource Integrated Database) emission factors.

Air Emissions Performance

Marathon Oil actively works to reduce our environmental footprint and has a history of taking elective measures to reduce emissions, such as becoming a founding member of The Environmental Partnership. This voluntary group of U.S. oil and natural gas companies has a mission to continuously improve the industry’s environmental performance by taking action, building knowledge and fostering collaboration among stakeholders. We participate in the partnership’s environmental performance programs aimed at reducing emissions of methane and volatile organic compounds:
• Phase-out of high-bleed pneumatic controllers
• Monitoring manual liquids unloading operations to minimize emissions, and
• Leak detection and repair.

Reducing the GHG emissions intensity of our operations is a central pillar of our climate risk mitigation strategy. We track operational performance through our overall GHG emissions intensity and methane emissions intensity. Intensity metrics are measured as CO₂e emissions per thousand barrels of oil equivalent of all hydrocarbon produced. We believe the intensity rate is a more comparable measurement over time because it takes into account our overall activity level, including portfolio changes from acquisitions and dispositions. We initially prioritized methane intensity given its outsized impact on the environment.

In 2019, our global GHG intensity increased approximately 21% compared to 2018. Although we remained in compliance with applicable flaring regulations, the increase was primarily due to higher flaring in our North Dakota Bakken asset, where we rely on third-party gas gathering companies to collect and transport natural gas production. Gas capture performance is therefore highly dependent on midstream performance and constraints on transport outside the region. Regardless of these challenges, we expect Bakken gas capture to materially improve to about 90% in the second half of 2020. This step change is driven by the completion of critical pipeline infrastructure by our midstream provider with a strong proactive assist from our Bakken asset team, which took the lead in securing right-of-way in a timely manner.

There was also an increase in emissions from additional compression and flaring in the Eagle Ford in 2019; however, we’re on track to reverse this trend and reduce emissions in 2020 as a result of enhanced coordination of equipment maintenance. Gas capture dramatically improved in our Permian asset during 2019, approaching 95% by year-end as a result of improved development planning, midstream coordination and additional infrastructure capacity.

In response to this overall increase in emissions intensity, Marathon Oil is actively evaluating the commercial viability of a number of emissions reduction technologies that address the specific needs and constraints of each asset. We expect these measures taken in the Bakken and across our portfolio to reverse the trend in increased emissions intensity in the second half of 2020. With the marked improvement in Bakken gas capture, we expect our overall enterprise gas capture to trend positively toward about 98% in the second half of 2020 compared to just over 94% for 2019.
Our methane intensity decreased 19% in 2019. To manage methane emissions intensity, we eliminated high-bleed pneumatic controllers from all our operations, implemented the use of emission-free controllers and pumps and used ultra-high efficiency flares. In addition, we reduced flash emissions by installing vapor recovery towers (VRT) and vapor recovery units (VRU) where feasible.
GHG EMISSIONS AND INTENSITY\textsuperscript{abc}

\begin{itemize}
  \item Greenhouse gas (GHG) carbon dioxide equivalent (CO\textsubscript{2}e) emissions are based on carbon dioxide, methane and nitrous oxide from Marathon Oil-operated facilities only.
  \item Permian asset acquired in 2017.
  \item UK assets divested in 2019.
\end{itemize}

METHANE EMISSIONS AND INTENSITY\textsuperscript{ab}

\begin{itemize}
  \item Permian asset acquired in 2017.
  \item UK assets divested in 2019.
\end{itemize}
GHG EMISSIONS BY SOURCE
Million Tonnes CO₂e

- Flaring: 52%
- Combustion: 38%
- Process Emissions (including tanks): 5%
- Venting (including pneumatics): 4%
- Fugitives: 7%
EMISSION REDUCTION STRATEGIES

A TECHNOLOGY-DRIVEN MINDSET

To reduce air emissions from our operations throughout the drilling and production lifecycle, we continuously evaluate and implement targeted strategies and technologies. In addition, through the Emissions Management Committee, we are evaluating carbon sequestration technologies and offsets to determine if and when to apply these measures to our operations.

In accordance with our Responsible Operations Management System (ROMS), we apply our emission reduction management strategies at each stage of activity: well planning, facility design and engineering, equipment selection, and, ongoing maintenance. Under the ROMS process, our assets report their emissions reductions each year, along with proposed emissions reductions measures, which are then evaluated for implementation. By taking this proactive approach, we are able to share learnings and successful emissions reduction initiatives across our assets, while also prioritizing efforts with the highest impact across our portfolio.

AIR EMISSION MITIGATION TECHNIQUES

01 Aerial flyovers
02 Onsite Auditory, Visual, Olfactory (AVO) inspections
03 Flares to control tank and/or equipment vapors
04 Drones with infrared cameras to detect methane leaks
05 Vapor recovery tower (VRT) to prevent excess vapors in tanks
06 Vapor recovery unit (VRU) to recover additional gas for sale
07 Onsite infrared camera surveys
08 Drone operator
09 Remote monitoring of facilities via SCADA and oilfield control center

1All or some of these technologies are used at various Marathon Oil locations where we believe they are operationally appropriate.
Highlights of our air emissions mitigation strategies include:

**ULTRA-HIGH EFFICIENCY FLARES**

These combust gas more efficiently than traditional flares, destroying more than 99% of flare gas, leading to lower methane, carbon monoxide (CO) and VOC emissions.

**Business Application**

We use ultra-high efficiency flares in the Bakken, Permian and Eagle Ford assets. This has resulted in substantially lower VOC and CO emissions. Specific regulatory and operating conditions in Oklahoma result in very little flaring, limiting the utility of ultra-high efficiency flares in that asset.

**VAPOR RECOVERY UNITS (VRU) AND VAPOR RECOVERY TOWERS (VRT)**

A VRU recovers vapors in crude oil or condensate tanks. A VRT is a tall pressure vessel installed between the production separators and liquid storage tanks to capture pressurized gas that would otherwise be sent to the tanks.

**Business Application**

VRUs and VRTs are used at many of our new facilities, where appropriate, to capture additional natural gas and reduce the likelihood of emissions from tank thief hatches.

**WEIGHTED THIEF HATCHES WITH HIGH-PERFORMANCE GASKETS**

Adequately weighting thief hatches reduces the likelihood that vapors will escape from inside storage tanks. Gasket materials that hold up to the elements also reduce the likelihood of tank emissions.

**Business Application**

When designing facilities, Marathon Oil considers thief hatch weight and gasket material and selects products that reduce the likelihood of emissions from thief hatches. Using the data captured through LDAR, we’ve been installing and/or upgrading to the latest lower-leak thief hatch models in new facilities across our assets where data indicates it is warranted.
INFRARED CAMERAS FOR LEAK DETECTION

Infrared camera inspections detect temperature differences that can indicate equipment gas leaks. In 2019, Marathon Oil recorded a methane leak rate of less than 0.1% across the more than 1.75 million components surveyed at our facilities. We completed over 1,600 surveys at more than 800 locations in 2019.

Business Application
We repair leaking equipment as soon as practicable, often on the same day the leak is found. Infrared camera monitoring, along with maintenance and operating practices, helps us minimize air emissions from company facilities. Training for infrared camera operators includes certification on thermal contrast, gas plume motion, camera distance limitations and camera adjustments for varying environmental conditions.

All four U.S. business units use infrared cameras to detect leaks at new facilities. The scope and frequency of our leak detection programs are driven by regulatory requirements and risks such as facility size and production throughput. In addition to repairing leaks, we use the data obtained through LDAR to apply technological solutions and make strategic investments to prevent leaks.

AUDIO, VISUAL AND OLFACTORY (AVO) INSPECTIONS

AVO inspectors use their senses of hearing, sight and smell to help determine if a facility is operating normally. A trained inspector can detect gas leaks.

Business Application
To mitigate the risks associated with gas leaks, qualified individuals conduct routine AVO inspections of our production locations. A program to survey, prioritize, address and verify is applied with regulations dictating the frequency of inspections.

Field employees are trained to perform AVO inspections for possible leaks as a part of their overall competency training. New employees must demonstrate competency in safety and operating requirements before conducting field work without the supervision of more experienced employees.

ADDITIONAL EMISSION MITIGATION STRATEGIES

We constantly seek out technology innovations and new opportunities to lower air emissions across our operations.
REDUCED EMISSIONS COMPLETIONS (REC)

This practice captures gas produced during well completions and workovers following hydraulic fracturing. Portable equipment is brought on site to separate the gas from the solids and liquids produced during the high-rate flowback. The gas can then be delivered to the sales pipeline or routed to a control device instead of being vented. RECs help reduce methane, volatile organic compounds (VOC) and hazardous air pollutants (HAP) emissions during well cleanup. Routing gas to a sales line can eliminate or significantly reduce the need for flaring.

Business Application

Marathon Oil uses 100% reduced emissions completions in our U.S. operations.

PNEUMATIC CONTROLLERS, EMISSION-LESS CONTROLLERS AND PUMPS

Pneumatic controllers help control different process variables, such as pressure, temperature or fluid levels in tanks or vessels. Low-bleed or intermittent-bleed, gas-driven pneumatic controllers emit less gas than high-bleed pneumatic controllers. Pneumatic-driven pumps are used in a variety of applications, but are frequently used for chemical injection needs. Using air instead of gas-powered pneumatic devices to operate pneumatic controllers and pumps also reduces GHG emissions. Electric/mechanical driven, solar-powered controllers may be used in non-emergency service control applications when grid electricity is not feasible. The application is dependent upon specific service and power needs for the drive mechanisms.

Business Application

Our active program installing or replacing pneumatic-operated controllers has resulted in the elimination of high-bleed pneumatic controllers in our U.S. assets. For example, in our Oklahoma asset over 640 electric/mechanical controllers have been installed on new wellpads, which has significantly contributed to the reduction in emissions. Our central facilities in Eagle Ford all operate on instrument air, which has significantly decreased emissions where there is access to electric power lines. Conversion to instrument air controllers in the Permian is being evaluated to both increase reliability and reduce emissions.

REDUCED DIESEL USE

Replacing diesel generators with natural gas-fired generators reduces emissions.

Business Application

Eagle Ford removed 106 diesel generators for rod pumps from 2014 through 2019. The only diesel generators remaining in the asset are emergency generators at some central facilities.

In the Permian Basin, we removed all diesel-fired generators and replaced them with natural gas-fired units in early 2018. The asset continues to install natural gas-fired units to reduce associated emissions on a per horsepower basis.

Where available, Oklahoma switched from diesel generators used during flowback operations to natural gas generators in 2018, reducing GHG and particulate emissions.

We also began piloting the use of dual-fuel (diesel and natural gas) drilling rigs and fracturing fleets in 2019 to further reduce diesel use.
REDUCING EMISSIONS FROM LIQUIDS UNLOADING

Artificial lift is a production technology that is used to remove the buildup of liquids that can impede the flow of natural gas through the well.

This includes plunger lifts that use the reservoir’s natural energy to build up pressure and allow the well to flow, reducing the number of times the well must be vented or “unloaded.” Other methods employed for liquids unloading include pumping surfactant/foam down the well to reduce the gas velocity needed to overcome liquids in the well, which often helps to reduce the amount of venting.

Business Application
Approximately 0.07% of our emissions are from liquids unloading and we use several methods to further minimize emissions associated with unloading liquids from the well. While many factors contribute to the decision to use various forms of artificial lift, including the rate at which liquids accumulate in the wellbore, use of artificial lift can limit the need to manually unload a well. In Oklahoma, we installed 29 plunger lifts in 2019.

We typically rely on artificial lift methods where economic and feasible. In cases where manual unloading is required, we monitor 100% of manual unloading operations to minimize emissions from the process.

NATURAL GAS LIQUIDS (NGL) REMOVAL UNITS

These units reduce volumes of gas flared by condensing NGLs from the gas stream that would otherwise be flared due to either a lack of gas connection or gas takeaway capacity constraints. NGLs are condensed from the gas stream to a liquid, which is then transported via truck for sale.

Business Application
We are deploying NGL units to recover a portion of gas in the Bakken. Approximately five units on average were operating in the Bakken throughout 2019, processing over 1 BCF of gas.

BITCOIN COMPUTER MINING CENTERS

Utilization of stranded gas to provide electricity generation for computer mining centers.

Business Application
Bakken piloted the use of stranded gas to provide electricity for bitcoin computer mining centers. Specific conditions are required, and we are looking for additional installations where the application is feasible.
LAND STEWARDSHIP AND BIODIVERSITY

PROTECTING ECOSYSTEMS

Marathon Oil strives to be a good steward of the land by mitigating environmental impact and promoting biodiversity.

Our Environmental Management Standard, which is governed by the Responsible Operations Management System (ROMS), requires a pre-site survey for wetlands, endangered species and historical sites. Depending on the situation, we do a tabletop or onsite survey to ensure that such sensitive areas will not be disturbed.

When we identify areas impacted by past operations, we restore the site. If a sensitive area is identified in the development plan, we relocate, or work to get the permits required to develop in a sensitive area. Species of concern that have been identified in the areas where we operate are listed in the table below.

<table>
<thead>
<tr>
<th>Species of Concern</th>
<th>New Mexico</th>
<th>North Dakota</th>
<th>Oklahoma</th>
<th>Texas - Eagle Ford</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protected Species</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lesser prairie chicken</td>
<td></td>
<td>Dakota skipper butterfly</td>
<td>n/a</td>
<td>Golden orb mussel</td>
</tr>
<tr>
<td>Dune sagebrush lizard</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Texas hornshell mussel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Before construction, we screen each site for endangered species and U.S. Army Corps of Engineers jurisdictional wetlands and streams, and take mitigating actions as needed. Marathon Oil builds and maintain our facilities to prevent wildlife from accessing equipment stacks, vents or fluid impoundments. To protect neighboring streams and wetlands, we implement erosion and sedimentation control systems, and use spill prevention measures. We inspect and maintain our sites through routine checks after significant storm events, and promptly repair the erosion and sedimentation control systems.

We have legal, regulatory and contractual obligations to remove and dismantle assets and to restore land or seabed at the end of oil and gas production operations. Production operations management, in close alliance with HES and regulatory compliance, has managerial responsibility for land closure and rehabilitation. Onshore, there are generally more requirements to recondition and restore the land to original condition and use. For more information on our asset retirement
obligation, please see our Annual Report on Form 10-K. Offshore we remove equipment or decommission clean equipment in place with regulatory approval.

In our Permian Basin asset, we signed U.S. Fish and Wildlife Service Candidate Conservation Agreements with Assurances (CCAA) to preserve habitats in our development areas for three key species: the lesser prairie chicken, the dune sagebrush lizard and the Texas hornshell mussel. These voluntary agreements help address conservation needs of these species by taking specific actions to remove or reduce adverse impacts.

Conservation and Beautification Projects

Marathon Oil supports a number of conservation and beautification projects. These often involve partnerships and opportunities for employees to give back to our communities.

As an operator in the New Mexico Permian Basin, we joined a coalition of oil and gas operators in making a three-year financial commitment to the Pecos Watershed Conservation Initiative. This partnership with the National Fish and Wildlife Foundation (NFWF) invests in conserving landscapes in the greater Trans-Pecos region of eastern New Mexico and West Texas.

Specific conservation projects include:

• Strengthening habitats,
• Protecting fish and aquatic species found only in Chihuahuan Desert ecosystems,
• Restoring native grasslands, and
• Addressing water quality and scarcity concerns for wildlife and agricultural uses.

In the Eagle Ford shale region, we’re part of a public-private partnership creating the Escondido Creek Parkway Project in the town of Kenedy, Texas. The 1.25-mile parkway is envisioned as an attractive place to enjoy the tributary in the southern basin of the San Antonio River Watershed, while maintaining a balanced relationship with the ecosystem. In part, it will function as a safe thoroughfare, connecting park and sports fields to homes and schools by providing trails under Highway 181. With support from the San Antonio River Authority (SARA), City of Kenedy, Kenedy Chamber of Commerce, foundations and donors, the first phase of the Escondido Creek transformation is expected to be completed in the fall of 2020.
MANAGING A VALUABLE RESOURCE

Water is vital for our business and to the ecosystems and communities where we operate. As a responsible water steward, Marathon Oil practices responsible sourcing, conservation, reuse, recycling and proper disposal.

Our regional water management strategy is designed to reduce the impacts of our water use on stakeholders and the relevant watersheds, and to minimize risks associated with produced water disposal, supply sourcing and business interruption.

We use the water scarcity evaluation tool, Aqueduct, to align our water management with baseline water stress levels and availability in the areas where we operate. According to Aqueduct, baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply, accounting for upstream consumption.

<table>
<thead>
<tr>
<th>Water Stressed Areas¹</th>
<th>New Mexico</th>
<th>Oklahoma</th>
<th>Eagle Ford</th>
<th>North Dakota</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most of our Permian operations are within extremely high water stress areas.</td>
<td>Physical water stress decreased from extremely high and high in the STACK and SCOOP, to medium-high/high and high/low-medium, respectively.</td>
<td>The majority of our Eagle Ford asset falls into a high-risk category for baseline water stress availability. Overall, the baseline stress shows improvement with some areas shifting from extremely high stress to high stress.</td>
<td>Bakken baseline physical stress categorization decreased from medium-high/high to low/low-medium for the majority of the acreage position. There are localized areas of extremely high-risk.</td>
<td></td>
</tr>
</tbody>
</table>

**KEY**
- Low Risk (0-1)
- Low to Medium Risk (1-2)
- Medium to High Risk (2-3)
- High Risk (3-4)
- Extremely High Risk (4-5)
- No Data

¹Classifications are for Marathon Oil-specific acreage
We evaluate our water management and target opportunities to conserve fresh water. Water use is tracked by both quantity, quality (fresh, brackish, recycled) and source (groundwater, surface). Produced water disposition is tracked by volume, transport and disposition method. All produced water in our U.S. onshore operations is either recycled for use in the oilfield or disposed of via salt water disposal wells. We don’t discharge treated, produced water to surface. Tracking water use and disposal is mandated by our Environmental Management Standard and the Regulatory Compliance element of our Responsible Operations Management System (ROMS).
To facilitate sustainable water sourcing opportunities in our U.S. resource plays, we have a manager of sustainable operations with leadership accountability. Our ROMS system requires assets to conduct a risk assessment addressing local and regional sourcing constraints, capacity limitations, operational needs, and disposal and infrastructure alternatives. While we seek alternative sources to fresh water, such as brackish or grey water, opportunities are very limited in areas such as Oklahoma. Our ability to recycle produced water is highly dependent on proximity between supply and demand, local constraints/regulations and continuity of acreage position. While we strive to use more produced water, we must balance the benefits of reuse with the higher spill risk associated with handling larger volumes of produced water.

We provide industry leadership in trade groups that share lessons learned and best practices for sustainable water management. For example, Marathon Oil is a founding member of the Energy Water Initiative, a group that focuses on sustainable water management practices in the U.S. In addition, we’re an active participant in the New Mexico Produced Water Research consortium and in the National Alliance for Water Innovation (NAWI)-led Department of Energy desalination grant project. These projects study environmental risks and technological developments associated with discharging or beneficially using produced water outside of the oilfield. Through our involvement, Marathon Oil seeks to mitigate environmental risks of produced water, while providing additional management options to deepwell disposal.

**Water Consumption**

The vast majority of our water consumption, typically more than 95%, is used in completions during hydraulic fracturing. Water consumption in our U.S. resource plays was 98 million barrels in 2019, compared to 82 million barrels in 2018. Of this amount, approximately 3 million barrels was recycled, a decrease from the previous year. This was the result of using another operator’s treated water in Oklahoma in 2018. No similar opportunities were identified in 2019. Some of the increased water consumption in Oklahoma in 2019 was offset by improvements in water recycling rates in our Bakken operations.

In our Eagle Ford asset, productive saline aquifers and company-owned supply infrastructure are available. They allow us to make significant use of water resources that are otherwise of no or limited use, so we can conserve high-quality water resources and reduce the risk of constraints on our operational water use. We continue to search for options that conserve fresh water and have been able to capitalize on specific opportunities in Oklahoma and the Permian. These opportunities are often situational and short-term, leading to fluctuations in recycled water use from year to year.
COMPETITIVELY ADVANTAGED MULTI-BASIN MODEL\(^1\)

Our focus in the U.S. is concentrated within our four high-quality resource plays.

Water Sourcing

Marathon Oil wants to preserve freshwater for drinking and other community needs. Three primary drivers of alternative water usage are the availability of alternative water sources; the ability of our assets to develop contiguous acreage; and, the regulatory environment, including local governments’ flexibility in transporting and storing produced, brackish and alternative water. As our assets mature and the subsurface qualities are better understood, we’re able to make data-driven decisions about alternative water source viability and infrastructure.

\(^1\)The production not accounted for in the above numbers is represented by other resources.
Marathon Oil has significantly increased the percentage of produced water we move via low-carbon transportation. In 2019, approximately 50% of produced water in our U.S. operations was disposed of using pipelines, eliminating approximately 460,000 truckloads and associated emissions of 30,000 MT of CO₂, and also improving road safety. We achieved this through strategic use of water midstream providers and internal development of produced water handling infrastructure in our Eagle Ford and Bakken assets.

**PRODUCED WATER MANAGEMENT¹**

**U.S. Operations**

<table>
<thead>
<tr>
<th>TOTAL PRODUCED WATER FROM OPERATIONS</th>
<th>DISPOSAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hauled to Disposal</td>
</tr>
<tr>
<td>115 MILLION BARRELS</td>
<td>49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL RECYCLED WATER FROM OPERATIONS</th>
<th>REUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recycled to Marathon Oil</td>
</tr>
<tr>
<td>2.9 MILLION BARRELS</td>
<td>100%</td>
</tr>
</tbody>
</table>

¹Numbers are in barrels of oil
²Where Marathon Oil utilizes midstream solutions for water management, water collected by midstream and recycled to other operators is not captured in data
**WATER USAGE BY RESOURCE PLAY**

We take a thoughtful approach to managing water sourcing, recycling, treatment, storage and disposal infrastructure across our assets.

**EAGLE FORD**

In 2019, more than 80% of our sourcing water in the Eagle Ford was brackish, with limited or no agricultural or livestock applications and unsuitable for human consumption. We developed water-sourcing infrastructure that mainly taps available brackish groundwater, leading to a long-term sustainable system with minimal risk of volume curtailment. While total water use in the Eagle Ford increased due to optimized well completion design, most of this increase was sourced from these brackish groundwater sources.

### EAGLE FORD¹

**2019 Water Usage**

**WATER SOURCES**

<table>
<thead>
<tr>
<th>Water Source</th>
<th>Quantities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brackish Water</td>
<td>41.8 million barrels</td>
</tr>
<tr>
<td>Fresh Water</td>
<td>8.1 million barrels</td>
</tr>
<tr>
<td>Recycled Produced Water</td>
<td>0.3 million barrels</td>
</tr>
<tr>
<td>Alternate or Other Operator Produced Water</td>
<td>0 million barrels</td>
</tr>
</tbody>
</table>

**WATER USED IN OPERATIONS**

- Drilling and Completions Operations ²
  - 50.3 million barrels

**RECYCLED WATER**

- 0.6 percent

### EAGLE FORD AT A GLANCE

- **STAGE 3 FULL-FIELD DEVELOPMENT**
- **2019 PRODUCTION 33% OF U.S. PRODUCTION**

¹Numbers are in barrels of oil
²~95% of all water used in Hydraulic Fracturing
PERMIAN

Our efforts since 2018 to develop a minimal footprint treatment system that allows us to cost-effectively treat high volumes of produced water on demand for internal use proved effective. We used this system to provide the majority of recycled water for the asset. In addition, the process mitigates risk of well curtailment due to logistics constraints as produced water from one pad is used as supply for another. On-demand treatment also reduces hauling of flowback water and waste management costs.

Concentrated efforts to establish strategic, flexible contracts with midstream water management companies allowed us to increase the volume of produced water using low-carbon transport from 14% in 2018 to 66% in 2019, while retaining the ability to recycle water for operations. Using midstream solutions enabled us to minimize internally owned/operated impoundment ponds saving capital and reducing surface impacts of operations.

PERMIAN
2019 Water Usage

<table>
<thead>
<tr>
<th>WATER SOURCES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brackish Water</td>
<td>10.1 MILLION BARRELS</td>
<td>0 MILLION BARRELS</td>
<td>0.7 MILLION BARRELS</td>
</tr>
<tr>
<td>Fresh Water</td>
<td>0 MILLION BARRELS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycled Produced Water</td>
<td></td>
<td>0.7 MILLION BARRELS</td>
<td></td>
</tr>
<tr>
<td>Alternate or Other Operator</td>
<td></td>
<td></td>
<td>0 MILLION BARRELS</td>
</tr>
<tr>
<td>Produced Water</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

WATER USED IN OPERATIONS

Drilling and Completions Operations

10.8 MILLION BARRELS

RECYCLED WATER

6.5 PERCENT

PERMIAN AT A GLANCE

1 Numbers are in barrels of oil

2 ~95% of all water used in Hydraulic Fracturing
OKLAHOMA

In Oklahoma, we established commercial midstream partnerships to convert more produced water transport to pipeline and conducted a successful trial reusing produced water for drilling mud systems that we implemented in 2019. As a result of this work, produced water transported using low-carbon transport methods increased from 24% in 2018 to 51% in 2019.

STACK | SCOOP¹
2019 Water Usage

WATER SOURCES

<table>
<thead>
<tr>
<th>Water Source</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brackish Water</td>
<td>0 Million Barrels</td>
</tr>
<tr>
<td>Fresh Water</td>
<td>16.9 Million Barrels</td>
</tr>
<tr>
<td>Recycled Produced Water</td>
<td>0.4 Million Barrels</td>
</tr>
</tbody>
</table>

WATER USED IN OPERATIONS

| Drilling and Completions Operations | 17.3 Million Barrels |

RECYCLED WATER

| Recycled Water | 2.3 Percent |

STACK | SCOOP AT A GLANCE

2 Stage 2 Early Development

24% 2019 Production 24% of U.S. Production

¹Numbers are in barrels of oil
²~95% of all water used in Hydraulic Fracturing
Produced water in the Bakken region typically has a high saline content. We continue evaluating the technical viability of using this higher-saline produced water in our Bakken operations. In 2019, the asset conducted several completions using produced water and is evaluating other opportunities. These efforts have resulted in an increase in recycled water use in the Bakken of approximately 300%, resulting in an 8% reduction in fresh water usage, and reducing fresh water demand, truck transport distances and costs.

### BAKKEN AT A GLANCE

1. **Stage 3 Full-Field Development**
2. **2019 Production 32% of U.S. Production**

---

**BAKKEN**

2019 Water Usage

<table>
<thead>
<tr>
<th>WATER SOURCES</th>
<th>Brackish Water</th>
<th>Fresh Water</th>
<th>Recycled Produced Water</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0 MILLION BARRELS</td>
<td>17.9 MILLION BARRELS</td>
<td>1.5 MILLION BARRELS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WATER USED IN OPERATIONS</th>
<th>Drilling and Completions Operations</th>
<th>RECYCLED WATER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19.4 MILLION BARRELS</td>
<td>7.7 PERCENT</td>
</tr>
</tbody>
</table>

---

1 Numbers are in barrels of oil
2 95% of all water used in Hydraulic Fracturing
Our spill prevention activities are governed by the regulatory compliance elements of ROMS, while emergency preparedness and response activities are covered under the ROMS Emergency Preparedness and Community Awareness element.

To prevent spills and protect the environment, Marathon Oil designs, operates and maintains our facilities with mechanical safeguards and secondary containment systems, and uses spill control plans. In addition, we participated in an API-led effort to develop recommended practices for the use of layflat hose to transfer water for hydraulic fracturing purposes, in order to improve safety and reduce the risk of spills. We also invest in employee training, procedures, preventive maintenance and inspections for fluid-containing equipment and facilities.

In all resource plays, Marathon Oil stores both hydrocarbons and untreated produced water at our production facilities in storage tanks with secondary containment. Produced water may also be stored in open-top tanks during fracturing and flowback operations, when crews are onsite and able to respond quickly to a spill. To protect wildlife, we use active deterrents such as netting, strobe lights, flags and air horns for temporary pits that may hold recycled water during completions activities.

If a spill does occur, we activate our comprehensive response capabilities to contain the spill and protect the surrounding environment. We train local, regional and corporate response teams, and conduct drills and exercises to maintain their readiness. We also have a network of response contractors and consultants.

When investigating spills and discharges to determine their cause, we look at both the actual and potential severity of the spill. The company takes incident-specific actions and, if necessary, broad corrective actions including remediation.

The number of spill events to the environment greater than or equal to one barrel decreased by 36% in 2019. However, we experienced an increase in spill volumes due to two large events. Both events were the result of pipeline integrity issues on produced water lines, one in the Bakken and one in the Eagle Ford. The total spill volume from these two incidents was approximately 47,500 barrels of produced water. We’re working to enhance our control logic for our pipeline systems to better detect leaks in dynamic flow conditions to reduce the probability of recurrence of isolated, high-impact events.
In the U.S., we compare our Total Fluid Spill Rate to other large independent oil and natural gas companies that participate in the American Exploration & Production Council (AXPC). Our Total Fluid Spill Rate of 0.25 for all fluids spilled (barrels) per 1,000 barrels of production in 2019 was above the AXPC average of .08.

*Data includes spills outside of secondary containment greater than or equal to 1 barrel

*~47,500 barrels of 2019 total spill volume was produced water
HYDRAULIC FRACTURING

SAFELY UNLOCKING THE POTENTIAL OF SHALE

Hydraulic fracturing involves pumping a mixture of mostly water and sand, with a small amount of additives, into the reservoir under high pressure to create fractures, or cracks, in the target rock formation. This increases the production rate and ultimate recovery of oil and natural gas from a well.

Coupled with advanced horizontal drilling, hydraulic fracturing makes it possible to develop shale plays that were previously uneconomic. These technologies have unlocked oil and gas deposits for Marathon Oil in the South Texas Eagle Ford shale, North Dakota Bakken shale, Oklahoma STACK and SCOOP, and New Mexico Delaware Basin.

We take steps to minimize the impacts by:

• ensuring well integrity,
• conserving freshwater,
• reducing air emissions from flaring and other sources, and
• managing waste responsibly.

Well Integrity

To ensure well integrity, Marathon Oil follows industry best practices, internal procedures, and applicable laws and regulations for proper well construction. This includes selecting the appropriate tubing and casing materials, testing, monitoring, hydraulic fracturing and production operations.

Pre-Drilling Evaluation

Marathon Oil’s Environmental Management Standard requires each business unit to develop a plan to conduct pre-drill sampling to evaluate the baseline quality of water sources located within a quarter mile of drill sites. Water sources are tested for common naturally occurring components and other parameters that can be found in hydraulic fracturing fluids or produced water. Groundwater wells are resampled if there are any indications that a casing integrity issue may exist.
To protect groundwater, we use steel casing and cement in the wellbore as physical barriers. We ensure our suppliers’ tubular materials meet API specifications and our own expectations for manufacturing, as well as the chemistry quality of steel for casing and tubing. If our pre-drilling evaluation indicates potential for hydrogen sulfide, we select tubing that meets the relevant ANSI/NACE sour service standards based on the region. This helps ensure lifetime material integrity with respect to corrosion.

Well Construction

During well construction, we apply industry best practices and comply with state rules for drilling and completions. These include pressure testing, cement bond logging and pressure testing the cement on every surface casing string in every well. We also perform pressure tests to determine the integrity of casing connections. Any casing left isolated is filled with packer fluid, a mixture of water, corrosion inhibitors and biocide, to mitigate corrosion.

Our onsite well control specialists conduct regular exercises to maintain wellhead pressure control and perform regular well control audits.

Before we perform hydraulic fracturing operations, we identify potential fracturing corridors in relation to surrounding wells to detect any wells that need to be decompleted, shut in or monitored to prevent communication. We also identify wells that require special considerations to ensure casing integrity.

Hydraulic Fracturing Operations

While hydraulic fracturing is under way, Marathon Oil digital oilfield control center operators create a dashboard using our telemetry system. The dashboard includes pressure alarms established for each individual monitor well based on our engineers’ criteria. These alarms notify the control center if hydraulic fracturing operations approach the maximum acceptable pressure or in the loss of pressure, which could indicate a casing integrity issue. Our control centers operate around the clock to provide status updates of current operations and notify Marathon Oil staff if action is required.

In areas in Oklahoma that may be sensitive to induced seismicity, we conduct a risk assessment and deploy temporary monitors, if necessary. We are considering expanding this program as we assess the risk of induced seismicity for all of our assets.
Production

During production, our operations personnel monitor casing via telemetry. Additional production safeguards include packer isolation and fluid, casing chemical treatments with corrosion inhibitor, and casing integrity testing such as caliper logs and pressure testing. Known production casing integrity repairs are documented in our central well history repository for knowledge management.

Fluid

To protect surface and groundwater resources and natural habitat, we manage and dispose of our produced fluid waste from hydraulically fractured wells in accordance with all federal, state and local regulations. Fluids are recovered and stored utilizing electronic or physical monitoring and secondary containment to minimize any spills or leaks.

In addition, we reuse or dispose of these fluids at locations we have reviewed to verify vendors have proper permits and approvals to operate. We use a 24-hour automated system to monitor injection pressure and rate for company owned saltwater disposal wells. Regular casing integrity verification is performed as directed by state and/or federal regulations or if monitored operating conditions indicate a more frequent check is advisable.

Marathon Oil supports state-level disclosure of fracturing fluid components. We worked with other operators and trade organizations to implement FracFocus, a voluntary online chemical registry for hydraulically fractured wells. Marathon Oil has entered all of our wells drilled and hydraulically fractured in the U.S. in FracFocus, a total of 3,338 wells through December 2019. Our contracts routinely require our service companies to disclose their fracturing components to FracFocus, but we cannot contractually require a service company to disclose constituents that are protected by trade secret laws.
SEISMICITY

TAKING ACTION

Marathon Oil is working to prevent or minimize induced seismicity in our operating areas in Oklahoma, Texas and New Mexico.

We are a leader in determining and employing risk mitigation strategies such as seismic reviews of disposal wells, minimizing use of disposal wells in riskier areas and using temporary seismometers during hydraulic fracturing. We also participate in industry owned/operated seismic arrays.

While seismic events are rare in North Dakota, Marathon Oil will apply our prevention strategies if needed in our Bakken asset. Company subject-matter experts share our learnings with other operators and industry organizations to increase capacity to prevent and minimize induced seismicity industrywide.

We support scientific research into any links between seismicity and oil and gas activity, as well as regulatory oversight and information sharing to prevent and mitigate seismic activity potentially connected to our operations.

Marathon Oil sponsors or supports academic organizations and government agencies involved in research into seismicity and oil and gas operations. These include:

• Stanford Center for Induced and Triggered Seismicity. The center researches the physical processes responsible for induced and triggered seismicity, and develops a scientifically based framework and tools for seismic risk assessment and risk management.

• Oklahoma Corporation Commission (OCC). This agency makes guidance available for all operators to address seismicity concerns in the state.

• Oklahoma Coordinating Council (member, technical subcommittee). This council organizes state resources and activities to address seismicity.

• Center for Integrated Seismicity Research (CISR) at the University of Texas at Austin. CISR is a collaborative that collects high-quality data on earthquakes in Texas and conducts fundamental and applied research to better understand naturally occurring and potentially induced earthquakes and the associated risks.

• TexNet Seismic Monitoring Network. This state agency helps locate and determine the origin of earthquakes in Texas. Where earthquakes are possibly caused by human activity, TexNet helps prevent earthquakes from occurring in the future.
Preventing Seismic Activity

Most injection wells aren’t associated with felt earthquakes, according to the USGS, which has found that a combination of many factors is necessary for injection to contribute to earthquakes that can be felt. In Oklahoma, the OCC has designated Areas of Concern where injection is restricted due to seismic activity.

Marathon Oil currently doesn’t own or operate any injection wells for wastewater disposal in targeted formations that have been linked to seismic activity in Oklahoma, or in areas with similar restrictions. We take precautions to prevent disposal of produced water from our sites into formations that have been linked to seismic activity. These include contracting with vetted third-party water haulers to dispose of produced water in approved disposal sites that don’t inject into targeted formations.

While seismicity associated with completion activity is rare, we monitor our completion sites in Oklahoma to mitigate seismic activity. Initiating mitigation activities promptly can significantly reduce or eliminate the likelihood of felt earthquakes that may be associated with well stimulation.

Marathon Oil co-founded the largest private seismic monitoring array in the world. This array of seismometers located across the STACK/SCOOP plays in Oklahoma allows us to constantly monitor operations and implement protocols to mitigate any seismicity that may occur as a result of our operations.

We follow the OCC’s Well Completion Seismicity Protocol, which requires operators to develop and implement a mitigation plan prior to completing any wells. Action is required for seismic events greater than or equal to 2.0 magnitude within 5 kilometers of the well, with requirements increasing as event magnitude increases. Under Marathon Oil’s mitigation plan, which is more stringent than the requirements in the OCC protocol, we:

• Conduct risk analysis as part of our pre-spud and pre-stimulation planning.

• Actively monitor seismic activity before, during and after well stimulation, using the private array of seismometers and publicly available data to accurately detect events.

• Maintain and exercise appropriate mitigation plans based on real-time monitoring of seismic activity, with immediate response and validation 24/7.

• Take early operational actions to mitigate pressure buildup.
• Respond following seismic activity within 5 kilometers of our hydraulic fracturing operations, whether the activity may be related to our operations or those of other operators.

• Notify OCC’s Induced Seismicity Department and confer with its staff members regarding any pause, suspension or resumption of fracturing.

As a result of Marathon Oil’s collaborative efforts with the OCC and our industry peers, there was only one seismic event greater than 2.5 magnitude in the vicinity of Marathon Oil’s operations that triggered the OCC guidelines in 2019.

Transferring Lessons Learned

Marathon Oil was instrumental in leading an effort to apply lessons learned from Oklahoma to the Eagle Ford, resulting in a substantial reduction in the number and magnitude of seismic events recorded through temporary monitors in that location.

Our approach is to be proactive and monitor our own and surrounding operations using data from available seismometer arrays. If seismic activity is detected, we select the mitigation measure that best meets our needs for safety, efficiency, effectiveness and cost.

There are no state protocols to mitigate seismic risk in South Texas. Our Eagle Ford asset analyzes data from regional public seismometer arrays and factors in our knowledge of local geology and drilling and completions activity to determine if we need to take preventive action. For specific predetermined operations, we deploy private arrays to provide real-time data that allows us to quickly take action if needed.

Few seismic events are reported in publicly available data in the New Mexico Delaware Basin, but low-level events are on the rise. With no state regulations pertaining to induced seismicity, we continue to evaluate the data and will take action if we detect any increase in seismic activity.
MANAGING WASTE ACROSS THE COMPANY

We strive to minimize the environmental impact of generating, storing, transporting and disposing of waste.

Our operations generate a variety of waste streams, including: scrap metal, tank and equipment cleaning residue, filters, contaminated soil, and office domestic waste such as paper and light bulbs.

Marathon Oil’s waste management practices for handling hazardous and other regulated waste comply with all federal and state regulations. Company assets develop waste management programs targeting their specific operations. During the drilling and completions phases, we capture residuals (a mixture of mud, cuttings, sand and fluids) and dispose of them in accordance with applicable regulations in all of our operating areas. Disposal of residual drilling and completions waste is tightly regulated by individual states where we operate. While regulations differ slightly among states, they generally have requirements for classifying, manifesting, transportation and disposal methods.

Offsite disposal and recycling increased from approximately 73,000 tons in 2018 to about 183,000 tons in 2019, primarily due to increases in disposal of impacted soil in our U.S. assets, and naturally occurring radioactive material (NORM) waste in North Dakota. Produced water, drilling muds and cuttings, and completions fluids are not included in the waste inventory in accordance with IPIECA’s Sustainability Reporting Guidance for the Oil & Gas Industry.
SECTION V

SAFETY AND WORKFORCE
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.

We strive to achieve excellence through safe operations by working together to fulfill the expectations of our Responsible Operations Management System (ROMS). 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 and reinforce our strong safety culture.

As a low-cost, high-margin operator, Marathon Oil recognizes that taking the time to run our business responsibly and safely is more important than just doing things quickly. We use best practices and integrate effective safety systems throughout the exploration and production lifecycle. To maintain our stakeholders’ trust, we must operate safely.

We promote 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. Our values to collaborate, take ownership, be bold and deliver results enable Marathon Oil to excel, but that’s only possible if our workforce is safe.

Establishing a tone of safety and operational integrity starts at the top and must be reinforced at every level. The senior vice president of operations, who reports to the CEO, has overall leadership accountability for our safety performance, with oversight from the HES and Corporate Responsibility (HES&CR) Committee of the board of directors. In addition, all directors bring experience in, or a strong understanding of, HES issues to their board role. 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. The HES Beliefs define Stop Work
Authority, pre-job planning, reporting and sharing of incidents and open communication, and affirm that no job will be performed if we cannot protect our people.

Performance Highlights

Our safety achievements in 2019 included:

• The best safety performance in our company’s history, the result of the maturity of our safety culture, ROMS, strong safety leadership engagements and weekly management review of both potential and actual serious events.

• New, more user-friendly ROMS standards and procedures for safe work permits, confined space entry and other common safety activities.

• Refreshed safety training content in our Learning Management System (LMS) and new curriculum for designated contractors who perform safety-sensitive work on our locations.

• Implementing an approval process that factors in compliance with our health and safety policies, including life critical expectations.

• Activating our business continuity plans to ensure the safety and health of our workforce and sustain critical business functions during the COVID-19 pandemic in 2020.

• Leading an API committee driving industrywide improvement in onshore safety, specifically by scaling safety programs to be achievable by smaller oil and gas companies and creating consistent expectations for contractors.
SAFETY PROGRESS

TOP SAFETY PERFORMANCE IN 2019

We routinely measure the effectiveness of our safety efforts, such as personal and process safety, health, environmental and safety (HES) training, workforce health and emergency preparedness and response.

In 2019, we achieved the best safety performance in our company’s history. The maturity of our safety culture and ROMS was a primary factor, with ROMS continuing to drive improvements through standards and procedures, engagements, risk assessments and other essential safety activities.

Through safety leadership engagements, Marathon Oil leaders focused on strengthening our partnership with our contractors and held them accountable for performing to our high safety and operational standards. 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 violated our safety and policy requirements. In addition, a weekly review of serious events by Marathon Oil HES and operations leaders led to faster integration of lessons learned. These factors contributed to a decline in our Total Recordable Incident Rate (TRIR) for both employees and contractors to 0.32 in 2019 compared to 0.53 in 2018.

Marathon Oil compares our U.S. TRIR to other large independent oil and natural gas companies that participate in the American Exploration & Production Council (AXPC). Our U.S. onshore recordable injury rate of 0.24 for both employees and contractors in 2019 was well below the AXPC average of 0.47. While Marathon Oil voluntarily includes contractors when reporting to AXPC, some companies in AXPC do not.

Our event reporting culture remains strong with a near miss frequency rate in 2019 of approximately 49. A work-related near miss is an unplanned or uncontrolled event or chain of events that didn’t result in a recordable injury, illness, physical damage or environmental damage, but had the potential to do so in other circumstances. Marathon Oil requires reporting, evaluating and tracking of near misses so we can prevent them from becoming actual events.

¹Marathon Oil voluntarily includes contractors when reporting to AXPC. Not all companies within AXPC follow this standard.
OVERVIEW: 2019 SAFETY METRICS

Total Recordable Incident Rate (TRIR) across sectors of the workforce, and measured against total work hours.

2019 IN-DEPTH GLOBAL SAFETY PERFORMANCE
Combined Employee and Contractor Workforce Incidents per 200,000 work hours.
Annual AXPC TRIR Reported Range
Annual Average AXPC TRIR
MRO Annual TRIR

*TRIR = Incidents x 200,000 / Work Hours
ENGAGING OUR CONTRACTOR WORKFORCE ON SAFETY

Marathon Oil’s goal is to work with top-rated contractors who share our commitment to safeguarding our workforce, communities, property and the environment.

While we strive to maintain a stable contractor workforce, we will stop working with vendors who don’t meet our expectations and performance requirements.

We take a proactive, risk-based approach to contractor management, building relationships with our vendors and helping them work to our safety expectations. We hold them accountable for completing our required Life Critical Expectations training and safety orientation programs, complying with our policies and adhering to our contractor management plans. In addition, we track their OSHA recordables and Serious Event Rate, conduct safety audits and manage our contractors in line with the ROMS Third-Party Services element.

Marathon Oil focuses on safety leadership engagements to convey our safety culture, expectations, preventive measures and work requirements like our Life Critical Expectations and Stop Work Authority. We increased visibility of our engagements in 2019, conducting them with both individuals and crews in the field and with leadership teams in the office. We also held Marathon Oil leaders responsible for holding conversations about safety with our contractors and tracked those safety leadership engagements.

In addition, Marathon Oil partnered with ISNetworld to develop and pilot new technology to track contractor safety accountability, and subsequently launched the persona non grata process. Under this process, individuals who don’t complete our required online safety orientation and Life Critical Expectations courses, who fail to follow our drug and alcohol policy, or who knowingly violate our Life Critical Expectations are indicated by a red flag in ISNetworld. Contractors aren’t allowed to perform life critical work onsite if the red flag appears when their badge is scanned at a Marathon Oil location.

In 2019, over 32,000 individual contractors successfully completed Marathon Oil’s Life Critical Expectations training and passed the associated exam. This helps ensure that vendors and their workers performing safety sensitive work understand our commitment to safety and know that we will verify their eligibility to work on Marathon Oil locations. We’ve shared this best practice with other operators through an SPE presentation and our participation in API upstream onshore safety workgroups.
Training and verifying workforce capabilities is fundamental to responsible, safe and ethical operations.

We provide orientation, training, coaching and mentoring to ensure employees and contractors have the skills, preparation and qualifications necessary to perform work in the field safely and efficiently.

The Training and Qualification element of our Responsible Operations Management System (ROMS) and related standards enable our field personnel to operate safely and to adapt to changes in our drilling and production activity and portfolio. Each ROMS element sets minimum training requirements considering compliance, hazard recognition and implementation of standards and procedures. Additionally, field supervisors incorporate coaching and mentoring techniques that influence positive safety behaviors.

As the executive owner of this ROMS element, the vice president of HES&S sets priorities and expectations, tracks and reports progress to the ROMS steering committee, and is accountable for the results of our training and competency programs. To strengthen accountability, our HES support staff ensures training is properly designed, assigned, delivered, monitored, tracked and recorded.

In 2019, we focused on ensuring our workforce understands ROMS. This resulted in improved training, and distributing easy-to-understand field reference tools on life critical procedures including confined space entry, control of hazardous energy and other safety procedures to make them easier to implement.

Employees and contractors recorded over 53,000 hours of HES training in our Learning Management System (LMS) in 2019 with a strong emphasis on life critical expectations. The training included topics such as regulatory compliance, safe work practices, driving, incident investigation and safety leadership training. We also qualify individuals at the awareness or advanced level of operational skills through our Qualification Management System (QMS). These skills include how to light a flare or restart a compressor, in line with our facilities Standard Operating Procedures (SOPs).
Process Safety

Process safety encompasses programs to prevent hydrocarbon releases that have the potential to impact people, property and the environment. It means designing and maintaining our facilities so they work as intended, thus protecting our employees and the communities in which we operate. These programs include our design and construction standards, mechanical integrity, safe work practices, operating procedures and management of change.

Marathon Oil also completes a targeted, in-depth process hazard analysis (PHA) to assess process safety-related risks. We partner with third parties with expertise in the PHA methodology to lead the assessments to identify risks and appropriate safeguards, such as alarms and relief devices.

We strive to improve our process safety programs and performance, track and investigate process safety incidents and near misses, develop corrective actions and share them throughout the company. Process safety incidents are classified using American Petroleum Institute’s Recommended Practice 754. In 2019, we experienced 0 Tier 1 (high-consequence) or Tier 2 (medium-consequence) PSEs at our designated facilities in our U.S. resource plays, Marathon EG Production Limited (MEGPL) and Equatorial Guinea LNG Holdings Limited (EG LNG).
WORKFORCE HEALTH

ADDRESSING HEALTH CHALLENGES

Marathon Oil values the health and wellness of our employees and their families, and we’re committed to promoting and protecting employees’ health on or off the job.

The Responsible Operations Management System (ROMS) guides our efforts to identify and address key health challenges in our operations. Areas we address include:

• Occupational hygiene and exposure control,
• Medical emergency management,
• Fitness-for-duty and medical surveillance, and
• Public and community health impacts.

Our exposure assessment process builds upon and aligns exposure risk management with the health, environment, safety and security (HES&S) risk assessment process. We identify and rank potential chemical, physical and biological exposure hazards according to risk, and then apply industrial hygiene monitoring to control hazards. In 2019, Marathon Oil partnered with NIOSH to complete some of these assessments and monitoring within our resource plays business units.

COVID-19 Response

We began monitoring COVID-19 in early 2020, and activated our business continuity plans in the early phases of the pandemic to ensure that all critical aspects of our business functions, as well as the health and safety of our employees were being considered. For more information, please see our Emergency Preparedness and Business Continuity section.
Building Capacity for Public Health in EG

Our public health programs in Equatorial Guinea emphasize capacity building to help communities achieve their long-term health goals. The primary program is the Bioko Island Malaria Elimination Project, a multi-system program now in Phase III. As part of our focus on maternal and child health, Marathon Oil and our government, nonprofit and university partners fund a program to train and certify pediatric nurses. The first group is now serving throughout the country, and the second group of 55 trainees is expected to graduate in 2020.

In addition, our Ver Bien (meaning “See Well”) project is enhancing educational outcomes for children who have vision problems and need eyeglasses. Since launching Ver Bien in 2017 and with the help of our partners, MEGPL has screened approximately 9,000 youth for vision problems and delivered over 700 prescription eyeglasses. We’ve also expanded Ver Bien from Bioko Island to the mainland city of Bata. In 2020, MEGPL will invest US $150,000 to continue expanding the program and expects to serve nearly 50% of the Equatoguinean school-age population.

Promoting Heart Health

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.

The American Heart Association (AHA) aligns well with this commitment. We’ve collaborated with AHA for more than a decade to help prevent heart disease and stroke, the number 1 and number 5 killers of Americans, respectively. For example, we require AHA’s cardiopulmonary resuscitation (CPR) training at several of our locations.
EMERGENCY PREPAREDNESS AND BUSINESS CONTINUITY CAPABILITIES

TRAINED AND READY TO RESPOND

Marathon Oil maintains plans to protect communities in the event of natural disasters, security incidents, operational disruptions and other events.

We also maintain detailed business continuity plans to protect our workforce and continue critical business functions during sustained efforts, including a public health event such as a pandemic or a natural disaster.

We have comprehensive capabilities to protect personnel, facilities, neighbors and the environment in the event of an emergency. The Emergency Preparedness and Community Awareness element of our Responsible Operations Management System (ROMS) provides tailored response plans to local operating conditions.

Marathon Oil’s capabilities include:

• Response teams at the local, regional and corporate levels, including the Corporate Emergency Response Team (CERT) and executive-level Crisis Management Team;

• Annual training, drills and exercises for all levels of response teams; along with government agencies and key stakeholders; and

• A network of response contractors and consultants that regularly interface with local and regional team members

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COVID-19 Response

We began monitoring COVID-19 in early 2020, and activated our business continuity plans in the early phases of the pandemic to ensure that all critical aspects of our business functions, as well as the health and safety of our employees were being considered. Our goal was to meet the current and foreseeable needs of the enterprise while operating in an uncertain environment.

We were well prepared to address the business impacts of the pandemic due to our robust emergency response and business continuity plans, as well as regularly conducted drills and training on these plans. We adhered to Centers for Disease Control (CDC), state and local guidelines as minimum expectations, consulted with our medical experts and adjusted our plans as information evolved. Our corporate emergency response team (CERT) and business continuity teams monitored and responded to the ever-changing situations.

Our response included:

- Adjusting operations to protect our employees and contractors,
- Shifting to a work from home model for many of our office personnel,
- Employee and contractor health screenings,
- Monitoring, allocating and overseeing critical resources such as masks, sanitizers and other cleansing agents,
- Developing COVID-19 specific health and safety procedures,
- Maintaining frequent communications with employees and our partners,
- Restricting business travel to minimize risk of exposure, and
- Benchmarking industry and other company practices.

Since the initial response, we’ve gradually implemented a voluntary return-to-office plan, with added health and safety procedures designed to minimize the transmission of COVID-19. We initiated training, safety protocols and procedures, contact tracing and attestations to verify compliance and effectiveness for anyone going onsite to a Marathon Oil location. These measures are enabling us to protect our employees and contractors while maintaining operations.
Contributing to Community First Responders

To ensure our communities are prepared for emergencies, Marathon Oil supports local volunteer fire departments, emergency medical services (EMS) and law enforcement agencies. In 2019, we made a donation to Karnes County in the South Texas Eagle Ford to support the building of a county-wide, multi-agency training facility. Firefighters from the county’s five volunteer fire departments, as well as all local EMS, will receive an elite training experience at home in Karnes County.

The facility will include a three-story training tower with an attached burn room; a non-burn room for search and rescue; training props to prepare for car fires, dumpster fires and vehicle extractions; and a unique oilfield training section, designed with the help of local oil companies. By saving on costs associated with travel to other facilities, the county can provide more frequent training. The new facility also keeps firefighters close to their districts, where they’re able to respond in a timely manner if an emergency arises.
WORKFORCE OVERVIEW

ALIGNING OUR CULTURE

As we work to produce the energy the world needs, we know that attracting and developing the best talent directly affects our sustainability.

We start with a commitment that doing the right thing is non-negotiable. Beyond providing a safe, clean and ethical workplace, we promote an inclusive corporate culture to ensure the strength and resilience of our business.

The executive vice president, general counsel and chief administrative officer of Marathon Oil has leadership accountability for our workforce management policies and programs. Due to the importance of our workforce capabilities, the board receives updates on our human capital management on a regular basis.

Respectful relationships are core to our culture. Our Code of Business Conduct, which applies to our directors, officers and employees, prohibits workplace harassment, violence or discrimination against anyone based on race, age, national origin, sexual orientation, gender identity and other factors. Our policies apply to all aspects of employment at Marathon Oil – recruitment, training, development, compensation, performance management and benefits. We select, develop and promote employees based on the individual’s ability and job performance.

Our workforce capabilities spring from motivated, engaged employees who have diverse backgrounds, experiences and thought, and are equipped with proper training and development. Additionally, our culture encourages employees to collaborate, take ownership, act boldly and deliver results. Taken together, these elements empower our employees to create enduring value for our business.

In 2019, we leveraged employee survey results, our Women’s Network and diversity roundtables to create a more inclusive, high-performing, agile culture. These conversations resulted in ideas to promote a better understanding of our strategy and values, drive innovation, and develop our talent.
Marathon Oil had approximately 2,000 active, full-time employees and 30 part-time employees worldwide at year-end 2019. Our 2019 combined voluntary and involuntary turnover rate was 15%, compared to 11.7% in 2018, and our 2019 retirement rate was 1.3%, compared to 2.4% in 2018.

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**COMPANY TURNOVER RATE**

* Data includes voluntary and involuntary turnovers.

* Data does 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.
At Marathon Oil, individuals with different talents, ideas and experiences fuel our ingenuity and innovative spirit.

In 2019, women and minorities\(^1\) accounted for 29.8% and 30.1% of our workforce, respectively. While we’ve made progress with our diversity and inclusion efforts, we want to deepen the conversation and build a more meaningful connection with our employees to help them thrive.

We encourage diversity and inclusion and cultivate our collaborative One Team environment by making training courses on unconscious bias and inclusive leadership available to all employees. 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.

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\(^1\) Minority designation defined by Equal Employment Opportunity EEO-1 report categories
U.S. WORKFORCE: WOMEN
Percentage by major categories: total staff, professionals and supervisors/managers

U.S. WORKFORCE: MINORITIES
Percentage by major categories: total staff, professionals and supervisors/managers

* Workforce statistics reflect year-end data

* Minority designation defined by Equal Employment Opportunity EEO-1 report categories
Building on Our Employee-driven Network

Our grassroots Women’s Network cultivates a culture where talented, diverse women can connect with each other and support personal and professional development. Participants enjoy leadership development opportunities, education, volunteer activities, mentoring and networking. Open to all employees, the Women’s Network began in 2018, and grew to approximately 250 participants by year-end 2019.

Special interest groups within the network focus on topics such as petrotechnical careers, maximizing your seat at the table, managing your career at different phases of life, working caregivers, and parents of children with special needs. The group also hosted two professional development and networking events in 2019. Members of our Women’s Network represented the company at an Experience Energy event in 2019 where three women employees won GRIT Awards for industry leadership. Marathon Oil also won the award for Best Workplace in the Oil and Gas Producer category. We’re excited that our supportive workplace culture is being recognized in our industry.

To build on the positive impact of the Women’s Network, we hosted roundtables in 2019 to better understand how we can develop a more inclusive culture. Our executive vice president, general counsel and chief administrative officer also championed a leadership development series for Black men in the company. Based on these conversations and other work we did in 2019, we’re establishing resource groups for Black and Asian American and Pacific Islander (AAPI) employees.

We also leveraged external partnerships to help employees build their leadership capabilities and networks. These included:

- Participation in various education, training and diversity summits with Pink Petro and EUCI,
- Participation in professional development events with the Hispanic Alliance for Career Advancement (HACE), and
- Sponsorship of the Houston Women on Board event, an education and advocacy campaign driving accelerated gender balance on corporate boards.

As these opportunities expand, they will continue to add value for individuals, the company and our culture.
Increasing the STEM Pipeline

Many Marathon Oil jobs, including the majority of our leadership positions, require a degree in science, technology, engineering and math (STEM) subjects.

The company recruits interns and graduates in STEM fields primarily on the campuses of Texas A&M University, University of Texas, University of Oklahoma and University of North Dakota. We funded scholarships totaling $120,000 for students at these universities to study core disciplines in 2019. Because we compete with a variety of companies and industries to attract a diverse workforce, we awarded an additional $145,000 in scholarships at these universities for diverse students with a record of academic excellence studying engineering and geosciences.

To broaden the pool of diverse job candidates, we reach out to local student chapters of the Society of Women Engineers, the National Society of Black Engineers, the Society of Hispanic Professional Engineers, LGBTQ Engineers and other organizations.
Lead Self, Lead Others and Lead Leaders is our framework for success. We take a strategic, multi-pronged approach to organizational learning, which evolves with corporate learning needs and internal/external challenges.

Our approach blends online, on-the-job, formal and informal assessment and coaching to ensure all employees receive the feedback, tools and time they need to reach their fullest potential.

**Lead Self, Lead Others, Lead Leaders**

We encourage employees to lead themselves by taking charge of their professional development. Our fast-paced, geographically diverse work environment makes it difficult to attend formal classroom-based courses. So in 2019, we created self-service, on-demand “micro learnings” to deliver timely and relevant information to targeted audiences. They’re available on our new Development Hub, a one-stop shop where employees can access recommended readings, practical tips, learning guides and skill development opportunities. The hub is a convenient way for employees to boost their knowledge and skills in bite-sized pieces when they need to, without having to wait for scheduled courses. This puts our employees in control of their development.

As we shifted our operational model in 2019, we aligned training and development with our new business priorities. For example, we brought training courses such as situational leadership and team-building in-house to support the organizational transition, target content to what’s most important to the company and reduce costs.

Employees from across the company attended internal networking events focused on team alignment and building our culture. Our executive team also shared personal career insights. Leaders received a 360-degree assessment to inform their personal development plans and then participated in a facilitated discussion with the Center for Creative Leadership.

Our Premier Leadership Development Series and Field Development Program provide employees a structured path to hone skills to lead others and the organization. The courses are optional but encouraged to enable employees to reach their professional potential and contribute to the company’s growth. They cover how corporate functions impact the exploration and production business, improving
team effectiveness, giving and receiving feedback, recognizing unconscious bias and inclusive leadership. In 2019, 168 employees completed over 300 leadership and field development classes. To lead others and the company, supervisors can take Dale Carnegie courses tailored for their team structure.

We strongly encourage newly hired or promoted supervisors to take the Leadership Immersion course covering management essentials, situational leadership and additional diversity and inclusion topics. These courses shifted from large classes to real-time agile training in 2019.

Also in 2019, newly appointed functional directors at Marathon Oil took a course from the Center for Creative Leadership on leading high-performing teams, effective communication and feedback, building trust and managing conflict. They also addressed a real-time Marathon Oil challenge through a purpose-practice exercise, ultimately resulting in concrete recommendations to share with next level leadership.

We track participation in training and development opportunities through our Learning Management System (LMS). In 2019, employees recorded approximately 9,600 hours of computer-based training (CBT) related to health, environmental and safety (HES) regulatory compliance; ethics compliance; mandatory annual diversity training; petrotechnical skills; information technology; and personalized learning.

**Petrotechnical Development**

Petrotechnical employees are vital to Marathon Oil’s resource exploration, development and production efforts. We value their expertise and contributions, and strive to make sure their career at Marathon Oil is rewarding and challenging.

To ensure that we have the technical capabilities needed to run the business of today and in the future, we’ve established a blended partnership between HR professionals and senior technical leaders. These leaders include our vice president of resource exploration, who serves as our chief geoscience engineer; vice president of Oklahoma operations and land, who serves as our chief completions engineer; and our regional vice president of Eagle Ford, who serves as our chief reservoir engineer. They focus on:

- Improving technical capabilities, by identifying strengths and gaps in technical staff, and mentoring,
- Improving functional and cross-functional collaboration to promote innovation and collaboration, and
- Partnering with HR on workforce planning and development.

This strong leadership support demonstrates our commitment to our petrotechs.
SECTION VI

SOCIETY
SOCIETY

COLLABORATING IN OUR COMMUNITIES

Producing energy in a socially responsible way requires a strong network of relationships built on integrity and trust.

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.

We prioritize social responsibility in everything we do, and from the highest levels of our organization. Our executive vice president, general counsel and chief administrative officer has leadership accountability for Marathon Oil’s social responsibility efforts, with oversight from the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of the board of directors.

Social Stewardship Excellence

At our core, our mission to provide affordable energy underpins socio-economic development in regions where we operate. But, we understand that our operations can also bring challenges to communities.

Throughout a project’s lifecycle, we build trust and mutual understanding with landowners, suppliers, community organizations, lawmakers, elected officials, regulators, industry peers, business partners and others. In collaboration with these stakeholders, we work to understand how our operations impact communities where we operate. We then develop and execute plans and projects to address social issues, with a focus on public health, safety, education and the environment. Whether working with individuals or communities, we respect their human, cultural and legal rights.

We know that we can’t do it alone – it takes the whole of our industry. We’re committed to the tenets of 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.

$15M
Invested in global social projects and programs in 2019
Performance Highlights

To strengthen our communities and relationships and amplify our social impact in 2019, we:

• Refined our social investment strategy to increase program impact and align partners around three main goals:
  • Building healthier and safer communities by addressing infrastructure stressors,
  • Building more resilient communities by protecting and restoring natural resources, and
  • Building stronger communities by ensuring inclusive and equitable quality education for all.

• Engaged industry partners, lawmakers, elected officials, community leaders and nonprofits to improve the quality of life in areas where our employees live and work.

• Joined the Oil & Gas Trafficking Awareness Group, an industry coalition that raises awareness about and fights against human trafficking.

• Vetted, hired and monitored suppliers we work with to ensure we have a sustainable supply chain.
Engaging with stakeholders is essential to risk management and strengthens our ability to manage community impacts, access new resources and avoid project delays.

Marathon Oil adopts a broad definition of stakeholders. In August 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.

Working with Elected Officials and Community Leaders

Constructive engagements with local and state elected officials help us be a more effective operator and community partner. Our asset teams meet with county commissioners and other local officials to update them on our plans, resolve issues and understand community concerns.

In our Bakken asset, key stakeholders include North Dakota legislators and regulators, and leaders of the Three Affiliated Tribes (TAT) on the Fort Berthold Indian Reservation. Our relationship with the tribes started in 2008, when we became the first company to drill on the reservation that’s home to the Mandan, Hidatsa and Arikara (MHA) Nation. We respect the native lands and culture of Indigenous peoples, and honor tribal traditions and beliefs.

Marathon Oil engages the MHA Nation on infrastructure and economic development, employment opportunities, operational impacts, permitting, land access, regulations and other issues. We comply with tribal regulations such as those set by the Tribal Employment Rights Office (TERO), which aims to strengthen business opportunities for companies owned 100% by a member of the tribes.

During the 2019 North Dakota legislative session, we supported legislation that increased oil and gas tax revenues given to the TAT. The additional tax revenues on the reservation equated to increased
spending for education, law enforcement, infrastructure, political subdivision, tribal segments and federal Bureau of Indian Affairs roads. Development on the reservation benefits all citizens of North Dakota and provides a stable tax climate for the industry.

We hosted two stakeholder engagement tours of a Marathon Oil rig and production site in Kingfisher County, Oklahoma, in 2019. Our employees served as technical experts for the secretary and staff of the Oklahoma Office of Energy and Environment; staff of the Oklahoma governor’s office; industry representatives; municipal officials; and 12 state lawmakers. The tours introduced the legislators and municipal officials to oil and gas operations, and provided Marathon Oil the opportunity to enhance relationships with state and local officials.

In our Permian Basin asset, we joined local government officials, industry representatives and private citizens as a member of the Eddy County Energy Advisory Board in June 2019. At monthly public forums, the board listens to community concerns related to a specific issue such as road safety. The board then designs and implements strategic plans involving multiple stakeholders to address these concerns.

Helping Communities through Industry Collaboration

Trade associations advocate for targeted public policies and allow us to proactively engage with our stakeholders as an industry. To ensure we have a voice in industry solutions, Marathon Oil employees participate and take leadership roles in trade organizations. These include the Texas Oil and Gas Association (TXOGA), The Petroleum Alliance of Oklahoma (PAO), the Permian Basin Petroleum Association (PBPA), North Dakota Petroleum Council (NDPC), API (American Petroleum Institute), Independent Petroleum Association of American (IPAA) and AXPC (American Exploration & Production Council).

In Oklahoma, we voluntarily contribute a percentage of our oil and gas sales to participate in the Oklahoma Energy Resources Board (OERB). This allows us to develop relationships with stakeholders in communities with oil and natural gas production and solve issues cooperatively. For example, OERB develops and distributes educational materials that assist communities in understanding our operations – such as, “What to Expect During the 2-3 Week Hydraulic Fracturing Process.”

In North Dakota, we engage with our community members by participating in the annual Bakken Rocks CookFest hosted by the NDPC. These informal dinners offer residents in communities impacted by oil and gas development the opportunity to learn more about the industry and have experts answer their questions at information sessions. Additionally, in 2019 we hosted a dinner in Killdeer, North Dakota, where we provided operational updates to over 200 land and mineral owners and presented philanthropic donations to local first responders.
In Texas, around 30 employees represented Marathon Oil at TXOGA’s Texas Energy Day at the state capitol in Austin in February 2019. This forum connected over 700 industry employees with elected officials to illustrate the oil and gas industry’s contributions to the state. More than 60 companies, associations and chambers showcased safe and technologically advanced industry innovations and practices through exhibits, equipment displays and employee testimonies.

**Addressing Landowner Concerns**

To maintain positive relationships with our landowners, our land team is committed to proactively sharing our plans, project updates or changes, answering questions and resolving issues in a timely manner. After gaining efficiencies in 2018 by bringing our call center in-house, in 2019 we added the capability to address concerns via email. As a result, our team efficiently handles an average of 1,300 calls and emails each month.
SOCIAL IMPACT INVESTMENT

IMPROVING QUALITY OF LIFE

Marathon Oil’s social investment strategy brings partners together to improve the quality of life in the communities where we live and work.

We take time to listen to our stakeholders to understand the unique needs of the communities where we operate. Their insights inform programs we design to address these needs, with a focus on public health, safety, education and the environment.

During our annual funding assessments, we evaluate a potential partner’s mission and values to ensure alignment with our own, as well as their financial and operational performance.

Our partnerships go beyond financial contributions. We also invest in local communities through advisory services, pro bono work, in-kind donations and volunteer hours. Whenever possible, we bring our community partners together to amplify our impact.

SOCIAL INVESTMENTS BY GIVING AREA

Total Social Investments: $14.9 million

- Environment and Conservation: 1%
- Civic, Community, Culture: 27%
- Health and Human Services: 40%
- Education and Training: 32%

* Total Philanthropic Giving: $2.2 million in corporate giving and $2 million in employee giving; Total Sustainable Investments: $12.5 million.
In 2019, we began a strategic review of our social investment portfolio to align our partnerships around three common goals and set targets for their impact. The strategy is noted below.

### SOCIAL INVESTMENT STRATEGY

<table>
<thead>
<tr>
<th>GOAL</th>
<th>INVESTMENT AREAS</th>
<th>RELATED UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS</th>
</tr>
</thead>
</table>
| Build healthier and safer communities by addressing infrastructure stressors | • Hunger  
  • Road Safety  
  • First Responders  
  • Healthcare  
  • Human Trafficking | ![Sustainable Development Goals](image) |
| Build more resilient communities by protecting and restoring natural resources | • Water  
  • Land & Air  
  • Research & Education | ![Sustainable Development Goals](image) |
| Build stronger communities by ensuring inclusive and equitable quality education for all | • Students  
  • Teachers  
  • Career Readiness | ![Sustainable Development Goals](image) |

#### Healthy and Safe Communities

By investing in a community’s infrastructure, we hope to build healthier and safer communities in the areas where we operate. We focus on addressing the direct impacts of our operations, such as on road traffic, as well as any indirect impacts by increasing access to basic needs and services like food and healthcare.

Our investments in this area include donations to local first responders for much-needed equipment and technology. We also have long-standing partnerships with the Houston Food Bank, Regional Food Bank of Oklahoma and Great Plains Food Bank in Dickinson, North Dakota.
Marathon Oil is a founding member of the Energize for Safety Coalition, a nonprofit dedicated to making busy roadways less dangerous in the operating areas of our Oklahoma asset. In partnership with the Oklahoma Department of Transportation and the Oklahoma Department of Public Safety, the coalition established a safety corridor on Highway 33 between Watonga and Kingfisher in the STACK. In 2019, the number of collisions along this corridor declined by 37% compared to the previous year. Through the coalition, Marathon Oil employees also participated in three driver safety events for local communities in our operating areas.

Human trafficking is a rising epidemic in communities across the world, including those in our operating areas and our headquarters state of Texas, which has one of the highest rates of human trafficking in the U.S. In 2019, we joined the Oil & Gas Trafficking Awareness Group (OGTAG), a coalition of 45 industry peers working together to end this human rights violation. We also initiated an internal effort that began in 2020 and includes: 1) increasing employee awareness of human trafficking through events and communications, 2) adding anti-trafficking language in our Code of Business Conduct, 3) training suppliers and employees, and 4) engaging our communities by building coalitions with law enforcement and local stakeholders.

It’s time for companies to join forces to help stop human trafficking, and I’m proud that Marathon Oil is part of this important effort. We need to leverage our networks and our workplaces to raise the awareness on what has become a human rights crisis.

— CEO Lee Tillman

In addition to our long-standing relationship with the American Heart Association in Houston, we launched a partnership with Children’s Hospital at OU Medicine in Oklahoma City in 2019. Our investment funds pediatric research, education and clinical care programs. The hospital serves every county in Oklahoma so children don’t have to leave the state to receive exceptional care – and no child is ever turned away regardless of their family’s ability to pay.
Resilient Communities

By investing in protecting and restoring natural resources, we hope to build more resilient communities, and ultimately improve quality of life.

In 2019, we continued our investment in the Pecos Watershed Conservation Initiative (PWCI), which enhances a unique desert landscape where cattle ranching and oil and gas production coexist with species found nowhere else. PWCI is 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 corporations. The initiative focuses on restoring Chihuahuan Desert grasslands to benefit migratory grassland birds and pronghorn, and improving aquatic habitats.

Since its inception in 2017, the initiative has funded 19 projects totaling more than $3.7 million for critical habitat and species conservation. With the investments made in 2019, the initiative has restored more than 30,000 acres of grasslands, restored nearly 60 miles of river habitat and 200 acres of riparian habitat, and improved more than 120 miles of fencing for pronghorn passage. When complete, the results will be restoration or enhancement of more than 9,000 acres of grasslands, protection or establishment of two populations of endangered or threatened desert fish, and intensive monitoring of native species whose habitats and behavior were previously poorly understood.

In our Bakken asset, our Maintenance & Construction team volunteered to remove approximately four miles of sheep fence on a ranch so that it could be replaced with more wildlife friendly fencing. This project is part of a larger collaboration with North Dakota Petroleum Council (NDPC) to provide funds and in-kind labor for environmental projects throughout the basin.
Strong Communities

By investing in inclusive and equitable quality education for all, we hope to build a foundation for strong communities and socio-economic growth. Education has the power to improve lives by breaking the cycle of family poverty and enabling a person to reach their full potential.

Our investment aims to improve student test scores and school ratings, expand the availability of qualified teachers, and increase the number of students receiving a technical certification or degree and entering higher education.

In the Houston area, only 21% of third graders have mastered reading standards and 29% failed to meet minimum reading expectations. We’ve partnered with the Barbara Bush Houston Literacy Foundation since its inception in 2013 to combat the city’s literacy crisis. Our partnership focuses on strategies shown to enhance literacy, such as increasing the number of books in a home, mentoring children in reading and prioritizing support for economically disadvantaged children who are most likely to read below standard. In 2019, we were one of 16 corporate partners asked to join the nonprofit’s Advisory Council of corporate leaders.

In Oklahoma, our employees volunteered for the Oklahoma City Public Schools (OKCPS) career expo and the Oklahoma Energy Resources Board (OERB) STEM (science, technology, math and engineering) night in Duncan. Marathon Oil is a long-standing supporter of the OERB, a state agency voluntarily funded by oil and natural gas producers and royalty owners. In 2019, OERB spent almost $1.3 million on K-12 STEM-related curricula and classroom materials and trained 953 teachers, reaching the milestone of 16,950 teachers trained to date. OERB also supports the environmental clean-up of abandoned and orphaned well sites, including dedicating more than $8 million to restore 713 well sites in 2019 and approximately $120 million to restore over 17,000 sites since 1993.

To support teacher professional development, we partnered with the NDPC to bring more than 50 teachers from around the state to our Dunn City field office for a presentation and rig tour. The event was part of a four-day seminar focused on informing educators so that they can develop our industry’s next generation workforce.
Marathon Oil expects our suppliers to share our commitment to safety, environmental stewardship, ethical business conduct, sound labor practices and human rights.

We seek out suppliers that represent our diverse communities and offer competitively priced products and services. We expect them to meet our requirements for HES performance, insurance coverage and financial viability.

We take extra steps to build strong relationships with our suppliers to help them improve their overall performance and maintain a stable workforce for Marathon Oil. We believe this is more sustainable for our company and the community.

Marathon Oil’s supplier relationships are governed by the Third-Party Services element of our Responsible Operations Management System (ROMS), Procurement and Contracting Policy, Anti-Corruption Compliance Policy, Code of Business Conduct, and our health, environmental and safety (HES) standards and policies.

Supply Chain Monitoring

Marathon Oil manages supply chain risk by stringently vetting suppliers and following specific processes to determine the appropriate type of commercial agreement for third-party goods and services. These agreements reference our Code of Business Conduct and all relevant standards and policies, which are available to suppliers on our internal supplier portal. Changes to standards and policies are communicated to ensure suppliers are aware of the changes and can act as needed to comply.

In keeping with our Code, Marathon Oil avoids doing business with suppliers that have a history of violating the law or applicable regulations, including those related to employment, the environment or safety. Additionally, we’re committed to ensuring that slavery and human trafficking don’t exist in our supply chain or in any part of our business. To prevent bribery, our suppliers must comply with our Procurement and Contracting Policy and the Anti-Corruption Compliance Policy. Global Supply Chain is responsible for conducting all contracting and procurement activities in an objective, ethical manner in accordance with Marathon Oil’s policies, standards and applicable laws. Our Anti-Corruption Compliance Policy requires potential suppliers within specified higher-risk categories to successfully complete an added layer of due diligence and be approved by Marathon Oil’s Law function before engagement by Global Supply Chain.
Suppliers approved for use may be required to participate in Marathon Oil anti-bribery training and/or undergo an internal contracts and compliance audit. In addition, all suppliers are directed to report business ethics concerns to our Integrity Helpline.

Marathon Oil’s vendor compliance program consists of three layers of supplier monitoring and auditing to ensure invoices are accurate and align to negotiated and agreed upon contracts and pricing agreements.

- The first layer is a systematic compliance program that matches a supplier’s invoice with their executed rate schedule. In 2019, approximately 70% of our discretionary commercial spend was vetted to ensure compliance.
- Our secondary layer is a manual review of suppliers whose pricing is not already systematically complied. This may result in a more detailed audit if the findings warrant it.
- If needed, the final layer of compliance enforcement includes a detailed audit by a third-party audit firm.

We’re increasingly applying technology to improve efficiency for both Marathon Oil and our suppliers. For example, we developed an app that tracks produced water being hauled from company locations to approved disposal wells in the Permian Basin. The app schedules haulers, provides them the optimal route to follow and automatically converts the hauling ticket into an invoice, which eliminates the hauler’s need to send an invoice and leads to timely payment. We’ll continue to look for ways to improve our supplier relationships.

**Additional HES Assessments for Safety-Sensitive Suppliers**

Marathon Oil assesses and approves suppliers’ HES performance and capabilities before they can begin work at a company operations location. We develop management plans for safety-sensitive suppliers aligned with recognized industry HES practices such as those published by API and IOGP. These plans are based on the supplier’s potential to impact the safety of other workers, the public, environment or our facilities. Suppliers who provide personnel for safety-sensitive work in the U.S. must register with ISNetworld, a global online source to manage, evaluate and qualify suppliers based on Marathon Oil’s criteria.

Safety-sensitive suppliers are also required to complete our HES orientation and Life Critical Expectations course and will not be allowed on our work sites if they fail to do so. Our HES team conducts formal, structured safety leadership engagements with critical and new suppliers, as well as those with HES performance concerns. These engagements may include a review of the suppliers’ internal policies and procedures, and interviews with their leadership and field workforce to gauge their understanding of their employer’s policies and programs. This allows for corrective actions with deadlines and could lead to contract termination if safety and operational performance doesn’t improve.
Marathon Oil respects the human, cultural and legal rights of individuals and communities, while focusing on responsible, safe, ethical operations.

We recognize the goals and principles of the United Nations Universal Declaration of Human Rights (UDHR) – including everyone’s right to life and liberty, the protection of law, and freedom from slavery and torture – within our business relationships and in industry discussions about human rights.

Respectful relationships are core to our culture. Our Code of Business Conduct and related policies prohibit workplace harassment, violence or discrimination against anyone based on race, age, national origin, sexual orientation, gender identity and other factors. These policies apply to all aspects of employment at Marathon Oil – recruitment, training, development, compensation, performance management and benefits.

Additionally, we’re committed to ensuring that slavery, human trafficking and other human rights violations don’t exist in our supply chain or in any part of our business.

We understand that our operations can bring challenges to the communities where we operate. In order to prevent any impacts to these community members, we proactively engage with our stakeholders, including Indigenous peoples, to design plans that ensure our operations are implemented in a way that respects their rights and beliefs.

Security and Human Rights

Under the Emergency Preparedness and Community Awareness element of our Responsible Operations Management System (ROMS), we identify and engage with stakeholders within or adjacent to our operations regarding potential risks and our planned response measures. These stakeholders include local communities and government emergency responders. We assess compliance with security and human rights practices using the Marathon Oil three-tiered audit program.

Marathon Oil has well-established and effective security and human rights policies in Equatorial Guinea. We employ a proprietary guard force to protect our onshore facilities and engage with the Navy of Equatorial Guinea to protect our offshore facilities. Marathon Oil had no known security-related incidents that resulted in a human rights violation in 2019. To bolster safety and security at Equatoguinean ports, we worked with the government of Equatorial Guinea and the U.S. Coast Guard to review International Port Ship and Port Facility Security (ISPS). Two Marathon Oil employees are certified to serve as auditors for this annual regulatory review.
SECTION VII

Supplementary Metrics
Performance Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities (Employee and Contractor Workforce)</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>No fatalities since becoming an independent E&amp;P in 2011.</td>
</tr>
<tr>
<td>Global Safety Performance - Total Recordable Incident Rate (TRIR)</td>
<td>0.32</td>
<td>0.53</td>
<td>↓</td>
<td>Best year of safety performance in company’s history.</td>
</tr>
<tr>
<td>Social Investments - Philanthropic and Sustainable (million dollars)</td>
<td>$14.9</td>
<td>$19.3</td>
<td>↓</td>
<td>Trending down in alignment with portfolio rationalization.</td>
</tr>
<tr>
<td>Global Greenhouse Gas Emissions (million tonnes CO₂e) b</td>
<td>6.65</td>
<td>5.36</td>
<td>↑</td>
<td>Increase primarily due to higher flaring in the Bakken. Bakken gas capture expected to materially improve to ~90% in the second half of 2020.</td>
</tr>
<tr>
<td>Global Greenhouse Gas Intensity (tonnes CO₂e on a weighted basis/production) b</td>
<td>30.76</td>
<td>25.35</td>
<td>↑</td>
<td>Increase primarily due to Bakken flaring, and compression and flaring in the Eagle Ford.</td>
</tr>
<tr>
<td>Methane Emissions (million tonnes CO₂e) b</td>
<td>0.47</td>
<td>0.57</td>
<td>↓</td>
<td>Decrease primarily due to elimination of routine usage of high-bleed pneumatic controllers, and rapid repair of any leaks discovered by our LDAR program.</td>
</tr>
<tr>
<td>Methane Intensity (tonnes CO₂e on a weighted basis/production) b</td>
<td>2.18</td>
<td>2.70</td>
<td>↓</td>
<td>Decrease primarily due to elimination of routine usage of high-bleed pneumatic controllers, and rapid repair of any leaks discovered by our LDAR program.</td>
</tr>
<tr>
<td>Energy Use (trillion BTU)</td>
<td>36.18</td>
<td>44.86</td>
<td>↓</td>
<td>See Five-Year Performance table for additional details.</td>
</tr>
<tr>
<td>Global Spill Events to the Environment ≥ 1 bbl - number c</td>
<td>30</td>
<td>47</td>
<td>↓</td>
<td>See Environment section for additional details.</td>
</tr>
<tr>
<td>Global Spill Volumes to the Environment ≥ 1 bbl - barrels (Oil) c</td>
<td>841</td>
<td>578</td>
<td>↑</td>
<td>See Environment section for additional details.</td>
</tr>
<tr>
<td>Global Spill Volumes to the Environment ≥ 1 bbl - barrels (Non-Oil) c</td>
<td>47,624</td>
<td>396</td>
<td>↑</td>
<td>Increase primarily due to two large produced water spills. Total spill volume from these two incidents was ~47,500.</td>
</tr>
<tr>
<td>Employees - Minorities as a Percentage of Workforce (U.S.) e f</td>
<td>30.1</td>
<td>33.3</td>
<td>↓</td>
<td>See Workforce section for additional details.</td>
</tr>
<tr>
<td>Employees - Females as a Percentage of Workforce (Global) f</td>
<td>29.8</td>
<td>28.1</td>
<td>↑</td>
<td>See Workforce section for additional details.</td>
</tr>
</tbody>
</table>

*In the second quarter of 2019, we closed on the sale of our non-operated interest in Kurdistan marking a complete country exit. We also closed on the sale of our U.K. business in the third quarter of 2019.*

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 Data includes spills outside of secondary containment ≥ 1 barrel.

d 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

e Workforce statistics reflect year-end data.

f Minority designation defined by Equal Employment Opportunity EEO-1 report categories.
## Financial and Operating Highlights
(Dollars in Millions, Except Per Share Data)

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues and other income</td>
<td>$5,190</td>
<td>$6,582</td>
</tr>
<tr>
<td>Income from operations</td>
<td>$636</td>
<td>$1,667</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>$(88)</td>
<td>$331</td>
</tr>
<tr>
<td>Net income</td>
<td>$480</td>
<td>$1,096</td>
</tr>
<tr>
<td>Net income per share</td>
<td>$0.59</td>
<td>$1.30</td>
</tr>
<tr>
<td>Long-term Debt</td>
<td>$5,501</td>
<td>$5,499</td>
</tr>
<tr>
<td>Stockholders’ Equity</td>
<td>$12,153</td>
<td>$12,128</td>
</tr>
<tr>
<td>Operating cash flow before working capital - per share</td>
<td>$3.56</td>
<td>$3.79</td>
</tr>
<tr>
<td>Dividends</td>
<td>$162</td>
<td>$169</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>$0.20</td>
<td>$0.20</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>$345</td>
<td>$700</td>
</tr>
<tr>
<td>Capital expenditures *</td>
<td>$2,591</td>
<td>$2,685</td>
</tr>
</tbody>
</table>

### Market Prices

<table>
<thead>
<tr>
<th>Market Prices</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTI</td>
<td>$57.04</td>
<td>$64.90</td>
</tr>
<tr>
<td>Henry Hub</td>
<td>$2.63</td>
<td>$3.09</td>
</tr>
<tr>
<td>Price Realizations - Excluding Derivatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td>$55.80</td>
<td>$63.11</td>
</tr>
<tr>
<td>Gas</td>
<td>$2.18</td>
<td>$2.65</td>
</tr>
</tbody>
</table>
### Financial and Operating Highlights
(Dollars in Millions, Except Per Share Data)

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price Realizations - Including Derivatives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td>56.47</td>
<td>58.51</td>
</tr>
<tr>
<td>Gas</td>
<td>2.18</td>
<td>2.65</td>
</tr>
<tr>
<td><strong>Average Daily Net Sales:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States Segment (mboed)</td>
<td>323</td>
<td>298</td>
</tr>
<tr>
<td>International Segment (mboed) b</td>
<td>91</td>
<td>122</td>
</tr>
<tr>
<td>LNG (mtd) c</td>
<td>4,933</td>
<td>5,805</td>
</tr>
<tr>
<td>Methanol (mtd) c</td>
<td>1,082</td>
<td>1,241</td>
</tr>
<tr>
<td>Condensate and LPG (boed) c</td>
<td>11,104</td>
<td>13,034</td>
</tr>
<tr>
<td><strong>Net Proved Reserves:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crude oil and condensate, natural gas liquids and natural gas (mmboe)</td>
<td>1,205</td>
<td>1,281</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees d</td>
<td>2,000</td>
<td>2,400</td>
</tr>
</tbody>
</table>

a Capital expenditures include accruals.
b Includes natural gas acquired for injection and subsequent resale.
c Reflects net share of equity method investee volumes.
d Reflects year-end data.

In the second quarter of 2019, we closed on the sale of our non-operated interest in Kurdistan marking a complete country exit. We also closed on the sale of our U.K. business in the third quarter of 2019.
## Five Year Performance Data

### Governance

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Independent Board Members - percent</td>
<td>88</td>
<td>86</td>
<td>89</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Political Contributions - thousand dollars a</td>
<td>85</td>
<td>289</td>
<td>65</td>
<td>194</td>
<td>165</td>
</tr>
</tbody>
</table>

### Society

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Investments (global) - million dollars</td>
<td>14.9</td>
<td>19.3</td>
<td>21.7</td>
<td>20.5</td>
<td>24.2</td>
</tr>
</tbody>
</table>

### Environment

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG Emissions (Global) b c</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Emissions - million tonnes CO₂e</td>
<td>6.47</td>
<td>5.20</td>
<td>3.91</td>
<td>3.07</td>
<td>3.58</td>
</tr>
<tr>
<td>Indirect Emissions - million tonnes CO₂e</td>
<td>0.18</td>
<td>0.16</td>
<td>0.16</td>
<td>0.19</td>
<td>1.06</td>
</tr>
<tr>
<td>Total GHG Emissions - million tonnes CO₂e</td>
<td>6.65</td>
<td>5.36</td>
<td>4.06</td>
<td>3.26</td>
<td>4.65</td>
</tr>
<tr>
<td>Total Methane Emissions - million tonnes CO₂e</td>
<td>0.47</td>
<td>0.57</td>
<td>0.62</td>
<td>0.67</td>
<td>0.64</td>
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<tr>
<td>GHG Intensity - tonnes CO₂e on a weighted basis/production (mboe)</td>
<td>30.76</td>
<td>25.35</td>
<td>22.06</td>
<td>18.11</td>
<td>24.52</td>
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<tr>
<td>Total Methane Intensity - tonnes CO₂e on a weighted basis/production (mboe)</td>
<td>2.18</td>
<td>2.70</td>
<td>3.35</td>
<td>3.71</td>
<td>3.36</td>
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<tr>
<td>Methane Emissions as a % of Natural Gas Produced</td>
<td>0.16</td>
<td>0.19</td>
<td>0.21</td>
<td>0.24</td>
<td>0.26</td>
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### Energy Use

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<tbody>
<tr>
<td>Energy Use - trillion BTU</td>
<td>36.18</td>
<td>44.86</td>
<td>43.74</td>
<td>49.44</td>
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### Environment

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<tbody>
<tr>
<td><strong>Other Operational Air Emissions (Global)</strong></td>
<td></td>
<td></td>
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<tr>
<td>Sulfur Dioxide (SO₂) - tons</td>
<td>462.0</td>
<td>560.0</td>
<td>538.1</td>
<td>104.5</td>
<td>497.6</td>
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<tr>
<td>Nitrogen Oxides (NOₓ) - tons</td>
<td>23,755</td>
<td>29,050</td>
<td>27,923</td>
<td>23,733</td>
<td>23,295</td>
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<tr>
<td>Volatile Organic Compounds (VOCs) - tons d</td>
<td>12,225</td>
<td>12,959</td>
<td>22,739</td>
<td>16,226</td>
<td>11,127</td>
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**Other Categories**

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<tr>
<td>U.S. Onshore Water Usage - million barrels used</td>
<td>95</td>
<td>82</td>
<td>70</td>
<td>29</td>
<td>40</td>
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<tr>
<td>Global Spill Events to the Environment ≥ 1 bbl - number e</td>
<td>30</td>
<td>47</td>
<td>35</td>
<td>29</td>
<td>47</td>
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<tr>
<td>Global Spill Volumes to the Environment ≥ 1 bbl - barrels (Oil) e</td>
<td>841</td>
<td>578</td>
<td>583</td>
<td>1,114</td>
<td>1,914</td>
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<tr>
<td>Global Spill Volumes to the Environment ≥ 1 bbl - barrels (Non-Oil) e</td>
<td>47,624</td>
<td>396</td>
<td>445</td>
<td>466</td>
<td>1,691</td>
</tr>
<tr>
<td>Total Off-Site Waste Disposal (thousand tons)</td>
<td>183</td>
<td>73</td>
<td>26</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Orphan Site Remediation and Reclamation - million dollars</td>
<td>0.8</td>
<td>1.8</td>
<td>0.9</td>
<td>1.0</td>
<td>4.1</td>
</tr>
<tr>
<td>Regulatory Fines - thousand dollars</td>
<td>18.1</td>
<td>-</td>
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### Safety & Workforce

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<tbody>
<tr>
<td><strong>Safety — Global (combined employee and contractor)</strong></td>
<td></td>
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<tr>
<td>Fatalities - number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total Recordable Incident Rate (TRIR) - incidents x 200,000/work hours</td>
<td>0.32</td>
<td>0.53</td>
<td>0.64</td>
<td>0.35</td>
<td>0.39</td>
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<tr>
<td>Near Miss Frequency Rate</td>
<td>49.31</td>
<td>57.53</td>
<td>54.19</td>
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# Safety & Workforce

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<td><strong>Process Safety Management</strong></td>
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<td>Tier 1 Process Safety Events - number</td>
<td>0</td>
<td>2</td>
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<td>Tier 2 Process Safety Events - number</td>
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<td>Tier 3 Process Safety Events - number</td>
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<td>22</td>
<td>31</td>
<td>22</td>
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<table>
<thead>
<tr>
<th><strong>Workforce</strong></th>
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</thead>
<tbody>
<tr>
<td>Employees (global) - number</td>
<td>2,000</td>
<td>2,437</td>
<td>2,345</td>
<td>2,302</td>
<td>2,642</td>
</tr>
<tr>
<td>Turnover - percent</td>
<td>15.0</td>
<td>11.7</td>
<td>13.2</td>
<td>14.5</td>
<td>19.8</td>
</tr>
<tr>
<td>Minority Employees (U.S.) - percent</td>
<td>30.1</td>
<td>33.3</td>
<td>30.1</td>
<td>24.5</td>
<td>24.4</td>
</tr>
<tr>
<td>Minority Professionals (U.S.) - percent</td>
<td>29.0</td>
<td>31.6</td>
<td>28.8</td>
<td>24.6</td>
<td>24.2</td>
</tr>
<tr>
<td>Minority Supervisors/Managers (U.S.) - percent</td>
<td>19.8</td>
<td>20.4</td>
<td>16.1</td>
<td>13.2</td>
<td>13.9</td>
</tr>
<tr>
<td>Female Employees (global) - percent</td>
<td>29.8</td>
<td>28.1</td>
<td>26.1</td>
<td>25.4</td>
<td>26.0</td>
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<tr>
<td>Female Professionals (global) - percent</td>
<td>32.4</td>
<td>30.7</td>
<td>28.7</td>
<td>23.1</td>
<td>28.2</td>
</tr>
<tr>
<td>Female Supervisors/Managers (global) - percent</td>
<td>26.2</td>
<td>22.4</td>
<td>21.1</td>
<td>19.4</td>
<td>21.2</td>
</tr>
<tr>
<td>Percent of Workforce Represented by Unions (global) - percent</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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</table>

*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 resubmittal of emissions data to the EPA. d Increase in VOCs is primarily due to accounting changes in the Resource Plays. e Data includes 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 does 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.

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. Marathon Oil endeavors to strengthen global data reporting systems and methodologies but recognizes 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.
SECTION VIII

Index
This report is based on the IPIECA/API/IOGP Oil and Gas Industry Guidance on Voluntary Sustainability Reporting. In this report, we’re expanding our reporting and disclosures with additional indicators informed by the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). We have also continued our practice of including additional indicators informed by the Global Reporting Initiative (GRI) Standard. The index below lists indicators from IPIECA, TCFD, SASB and GRI on which we have full or partially reported.

<table>
<thead>
<tr>
<th>GRI INDICATOR</th>
<th>DISCLOSURE TITLE</th>
<th>REFERENCE</th>
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</thead>
<tbody>
<tr>
<td>102-2</td>
<td>Activities, brands, products and services</td>
<td>Our Report: Marathon Oil at a Glance</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Our Report: Marathon Oil at a Glance</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>2019 Annual Report and SEC Form 10-K (Pages 6, 56, 64, 91-92 and 111), 2020 Proxy Statement (Page 18)</td>
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<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>Our Report: Marathon Oil at a Glance, Highlight: Equatorial Guinea</td>
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<tr>
<td>102-9</td>
<td>Supply Chain</td>
<td>Society: Supply Chain Management, Highlight: Equatorial Guinea</td>
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<tr>
<td>102-10</td>
<td>Significant changes to the organization and supply chain</td>
<td>Society: Supply Chain Management</td>
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<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>Society: Performance Highlights, Society: Stakeholder Engagement</td>
</tr>
<tr>
<td>102-13</td>
<td>Memberships of associations</td>
<td>Society: Stakeholder Engagement</td>
</tr>
<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>Our Report: CEO Message, Our Report: Board Message</td>
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<tr>
<td>GRI INDICATOR</td>
<td>DISCLOSURE TITLE</td>
<td>REFERENCE</td>
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<tr>
<td>102-16</td>
<td>Values, principles, standards and norms of behavior</td>
<td>Our Report: CEO Message</td>
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<tr>
<td></td>
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<td>Governance: Management Systems</td>
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<td>Governance: Ethical Business Practices</td>
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<td>Workforce: Overview</td>
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<td>Society: Supply Chain Monitoring</td>
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<td>Society: Human Rights</td>
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<td>102-18</td>
<td>Governance structure</td>
<td>Governance: Overview</td>
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<td>Governance: Board Message</td>
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<tr>
<td>102-20</td>
<td>Executive-level responsibility for economic, environmental and social topics</td>
<td>Our Report: CEO Message</td>
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<td>Governance: Overview</td>
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<td>Governance: Board Message</td>
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<td></td>
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<td>Society: Social Impact Investments</td>
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<td>Society: Supply Chain Monitoring</td>
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<td>102-21</td>
<td>Consulting stakeholders on economic, environmental and social topics</td>
<td>Society: Stakeholder Engagement</td>
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<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
<td>2020 Proxy Statement (Page 3)</td>
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<tr>
<td>102-29</td>
<td>Identifying and managing economic, environmental and social impacts</td>
<td>Our Report: CEO Message</td>
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<td>Our Report: Board Message</td>
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<td>Governance: Sustainability Oversight</td>
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<td>Environment: Overview</td>
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<td>Society: Social Impact Investments</td>
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<td>Society: Supply Chain Monitoring</td>
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<td>2020 Proxy Statement (Pages 13-14)</td>
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<tr>
<td>102-31</td>
<td>Review of economic, environmental and social topics</td>
<td>Our Report: CEO Message</td>
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<td>Our Report: Board Message</td>
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<tr>
<td>102-32</td>
<td>Highest governance body's role in sustainability reporting</td>
<td>Governance: Board Oversight</td>
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<td>Environment: Climate Change</td>
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<td>Safety: HES Training</td>
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<td>102-35</td>
<td>Remuneration policies</td>
<td>Governance: Overview</td>
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<td>Governance: Board Oversight</td>
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<td>Compensation Committee, Charter (Pages 1-6)</td>
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<td>2020 Proxy Statement (Pages 16-43)</td>
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<td>2019 Annual Report and SEC Form 10-K (Page 111)</td>
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<tr>
<td>102-36</td>
<td>Process for determining remuneration</td>
<td>Compensation Committee, Charter (Pages 1-6)</td>
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<td>2020 Proxy Statement (Pages 16-43)</td>
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<td>2019 Annual Report and SEC Form 10-K (Pages 21-117)</td>
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<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>Our Report: Stakeholder Map</td>
</tr>
<tr>
<td>102-41</td>
<td>Percent of employees covered by collective bargaining agreements</td>
<td>Our Report: Performance Highlights</td>
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## GRI 102: GENERAL DISCLOSURES

<table>
<thead>
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<th>GRI INDICATOR</th>
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<tr>
<td>102-42</td>
<td>Identifying and selecting stakeholders</td>
<td>Our Report: Stakeholder Map</td>
</tr>
<tr>
<td>102-43</td>
<td>Approach to stakeholder engagement</td>
<td>Our Report: CEO Message, Governance: Sustainability Oversight</td>
</tr>
<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>Governance: Sustainability Oversight, Governance: Management Systems</td>
</tr>
<tr>
<td>102-45</td>
<td>Entities included in consolidated financial statements</td>
<td>Governance: Political Contributions and Lobbying Activities</td>
</tr>
<tr>
<td>102-46</td>
<td>Defining report content and topic boundaries</td>
<td>Our Report: What We Report On</td>
</tr>
<tr>
<td>102-48</td>
<td>Restatements of information</td>
<td>Highlight: Equatorial Guinea</td>
</tr>
<tr>
<td>102-49</td>
<td>Changes in reporting</td>
<td>Governance: Performance Highlights, Governance: Sustainability Oversight, Environment: Performance Highlights, Safety: Performance Highlights</td>
</tr>
<tr>
<td>102-50</td>
<td>Reporting period</td>
<td>Our Report: What We Report On</td>
</tr>
<tr>
<td>102-51</td>
<td>Date of most recent report</td>
<td>Marathon Oil’s most recent report is for 2019, and was published in August 2020. The most recent prior report was for 2018, and was published in August 2019.</td>
</tr>
<tr>
<td>102-52</td>
<td>Reporting cycle</td>
<td>Marathon Oil publishes a sustainability report on an annual basis.</td>
</tr>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>Our Report: What We Report On</td>
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<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with the GRI Standards</td>
<td>Our Report: What We Report On</td>
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<td>GRI content index</td>
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<tr>
<td>GRI 201: ECONOMIC PERFORMANCE</td>
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</table>
| 201-1 | Direct economic value generated and distributed | Our Report: Financial and Operating Highlights  
2019 Annual Report and SEC Form 10-K (Pages 27-47) | | SOC-13  
GOV-4 | |
| | | | | | |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Governance: Management Systems  
CCE-2 | |
| | | Environment: Overview | | | |
| | | Environment: Climate Change | | | |
| | | | | | |
| 201-3 | Defined benefit plan obligations and other retirement plans | 2019 Annual Report and SEC Form 10-K (Pages 44-45, 52-58, 73, 84-90) | | | |
| GRI 204: PROCUREMENT PRACTICES | Proportion of spending on local suppliers | Society: Supply Chain Management  
Highlight: Equatorial Guinea | | SOC-4  
SOC-14 | |
| 204-1 | | | | | |
| GRI 205: ANTI-CORRUPTION | Communication and training about anti-corruption policies and procedures | Governance: Ethical Business Practices  
Society: Supply Chain Monitoring  
Highlight: Equatorial Guinea  
Code of Ethics for Senior Financial Officers  
Code of Business Conduct | EM-EP-S10a.2 | GOV-3  
SOC-8  
SHS-7 | |
| 205-2 | | | | | |
| GRI 301: MATERIALS | Materials used by weight or volume | 2019 Annual Report and SEC Form 10-K (Pages 11-13) | | ENV-7 | |
| 301-1 | | | | | |
| GRI 303: WATER AND EFFLUENTS* | | | | | |
| 303-1 | Interactions with water as a shared resource | Environment: Water Stewardship  
EM-EP-140a.1 | | ENV-1  
ENV-2 | |
| 303-2 | Management of water discharge-related impacts | Environment: Water Stewardship  
EM-EP-140a.2 | | ENV-2 | |
| 303-3 | Water withdrawal | Environment: Water Stewardship  
EM-EP-140a.3 | | ENV-1 | |
| 303-4 | Water discharge | Environment: Water Stewardship  
Highlight: Technology and Innovation | | ENV-2 | |
| 303-5 | Water consumption | Our Report: Performance Highlights  
Environment: Water Stewardship | | ENV-1 | |

*Marathon Oil uses a threshold of 1,000 parts per million total dissolved solids (TDS) for fresh water, as it is applicable for all uses and is more common in the U.S., where we use the vast majority of our water.
<table>
<thead>
<tr>
<th>GRI INDICATOR</th>
<th>DISCLOSURE TITLE</th>
<th>REFERENCE</th>
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<th>TCFD</th>
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<tr>
<td>304-1</td>
<td>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</td>
<td>Environment: Land Stewardship &amp; Biodiversity</td>
<td>EM-EP-160a.3</td>
<td>ENV-3</td>
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<tr>
<td>304-2</td>
<td>Significant impacts of activities, products and services on biodiversity</td>
<td>Environment: Land Stewardship &amp; Biodiversity</td>
<td>EM-EP-160a.1</td>
<td>ENV-3</td>
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<tr>
<td>304-3</td>
<td>Habitats protected or restored</td>
<td>Environment: Land Stewardship &amp; Biodiversity</td>
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<td>ENV-4</td>
<td></td>
</tr>
<tr>
<td>304-4</td>
<td>IUCN Red List species and national conservation list species with habitats in areas affected by operations</td>
<td>Environment: Land Stewardship &amp; Biodiversity</td>
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<td>ENV-3 ENV-4</td>
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<td><strong>GRI 305: EMISSIONS</strong></td>
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<td>305-2</td>
<td>Energy indirect (Scope 2) GHG Emissions</td>
<td>Our Report: Performance Highlights</td>
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<td>CCE-4</td>
<td>Metrics and Targets - Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.</td>
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<td>305-4</td>
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<td>305-7</td>
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<td>Environment: Performance Highlights</td>
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<td><strong>GRI 306: EFFLUENTS AND WASTE</strong></td>
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<td>306-2</td>
<td>Waste by type and disposal method</td>
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<td>Significant spills</td>
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<td>Safety: Overview</td>
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<td>Safety: HES Training</td>
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<td>Safety: Process Safety</td>
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<td>403-3</td>
<td>Occupational health services</td>
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<td>Safety: Engaging Contractor Workforce</td>
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<td>403-4</td>
<td>Worker participation, consultation, and communication on occupational health and safety</td>
<td>Safety: Engaging Contractor Workforce</td>
<td>EM-EP-320a.5</td>
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<td>403-5</td>
<td>Worker training on occupational health and safety</td>
<td>Safety: Engaging Contractor Workforce</td>
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<td>SHS-1</td>
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<td>403-6</td>
<td>Promotion of worker health</td>
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**GRI 404: TRAINING AND EDUCATION**

| 404-1         | Average hours of training per year per employee | Workforce: Learning and Development | SOC-7 |
| 404-2         | Programs for upgrading employee skills and transition assistance programs | Workforce: Diversity and Inclusion | SOC-7 |
|               | | Workforce: Learning and Development | SOC-7 |
|               | | Society: Supply Chain Management | SOC-7 |
|               | | Society: Human Rights | SOC-7 |
|               | | Highlight: Equatorial Guinea | SOC-7 |

**GRI 405: DIVERSITY AND EQUAL OPPORTUNITY**

| 405-1         | Diversity of governance bodies and employees | Our Report: Performance Highlights | SOC-5 |
|               | | Governance: Board Diversity | SOC-5 |
|               | | Workforce: Statistics | SOC-5 |
|               | | Workforce: Diversity and Inclusion | SOC-5 |
|               | | 2020 Proxy Statement (Page 4) | SOC-5 |

**GRI 410: SECURITY PRACTICES**

| 410-1         | Security personnel trained in human rights policies or procedures | Society: Human Rights | SOC-3 |
|               | | Highlight: Equatorial Guinea | SOC-3 |
|               | | EM-EP-210a.2 | SOC-3 |
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## GRI 411: RIGHTS OF INDIGENOUS PEOPLES

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<td>OG9</td>
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<td>Society: Stakeholder Engagement</td>
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<td>Society: Human Rights</td>
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Marathon Oil did not have any involuntary resettlements in 2019.

## GRI 413: LOCAL COMMUNITIES

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<td>413-1</td>
<td>Operations with local community engagement, impact assessments and development programs</td>
<td>Safety: Workforce Health</td>
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<td>Society: Stakeholder Engagement</td>
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<td>Society: Social Impact Investments</td>
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<td>413-2</td>
<td>Operations with significant actual and potential negative impacts on local communities</td>
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<td>Environment: Hydraulic Fracturing</td>
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<td>Environment: Seismicity</td>
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## GRI 415: PUBLIC POLICY

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<td>Governance: Political Contributions, and Lobbying Activities</td>
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<td>Environment: Seismicity</td>
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