

A photograph of a worker in a white hard hat and yellow shirt working on a metal structure at a construction site during sunset. The worker is wearing a white hard hat with the Chesapeake Energy logo. The background is a bright, hazy sunset over an industrial site. The text 'FOCUSED DEDICATED DRIVEN' is overlaid on the right side of the image.

# FOCUSED DEDICATED DRIVEN

2015 CORPORATE RESPONSIBILITY SUMMARY  
CHESAPEAKE ENERGY CORPORATION

## ABOUT OUR COMPANY

Chesapeake is the second-largest producer of natural gas and the 13th largest producer of oil and natural gas liquids in the U.S. We have a large and geographically diverse resource base of onshore U.S. unconventional natural gas and liquids assets, as well as oil and natural gas marketing and natural gas gathering and compression businesses. We are committed to executing our business strategies and maximizing shareholder returns with careful attention to safety, environmental stewardship and regulatory compliance.

**20,800**  
oil and natural gas  
wells operated

**679**  
mboe daily  
production

**1.504**  
bboe in proved  
reserves

**4,370**  
employees

## CORE VALUES

Our core values are the foundation of Chesapeake and essential to our success. They are the lens through which we evaluate every business decision. Our commitment to these values builds a stronger, healthier Chesapeake, benefiting all of our stakeholders.



**Integrity and Trust**



**Respect**



**Transparency and  
Open Communication**

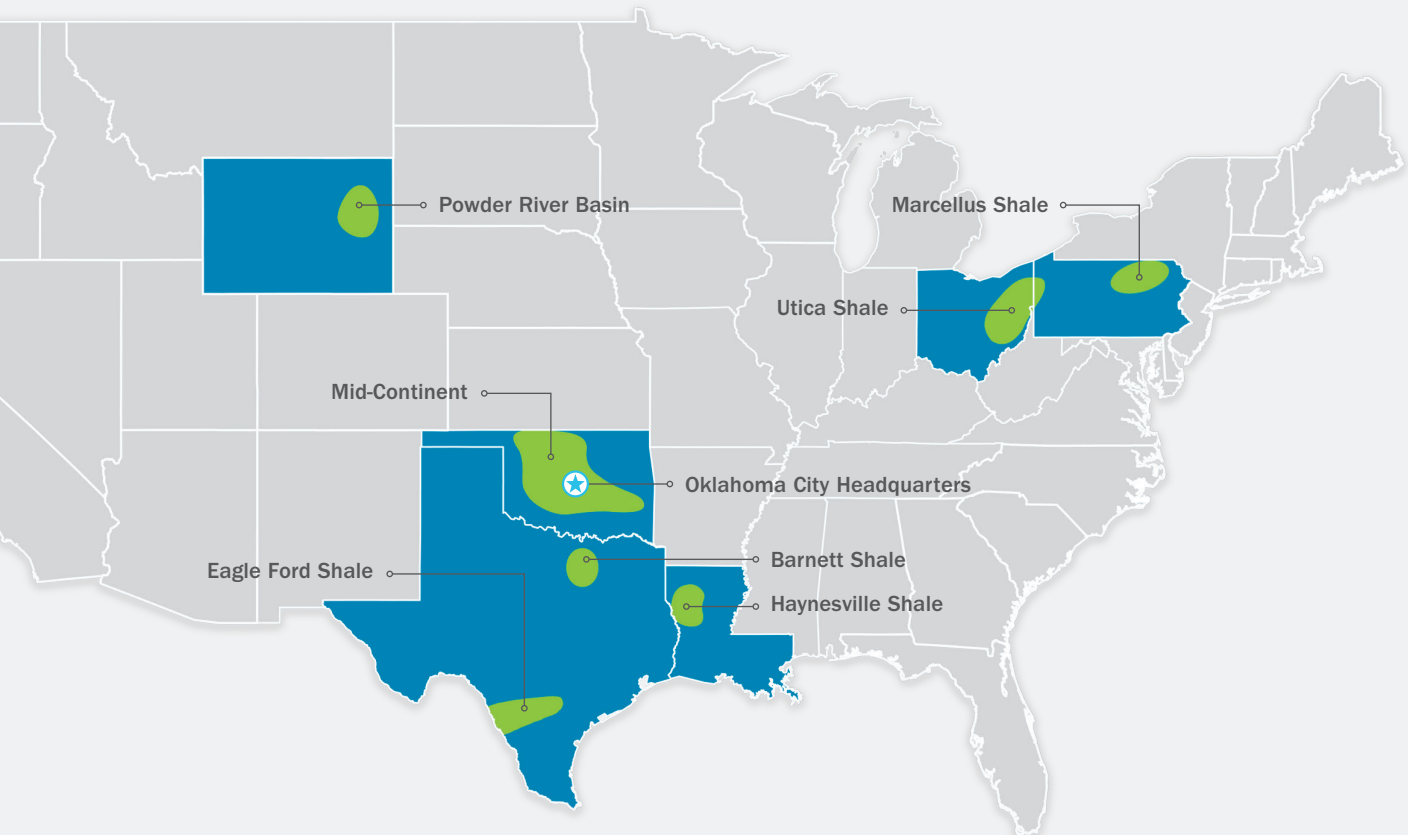


**Commercial Focus**



**Change Leadership**

## OPERATIONS MAP



# Letter to Our Stakeholders

In 2013 Chesapeake began a major transformation to create a corporate culture that prioritized responsibility above all else. With the introduction of our core values, I saw an entire organization shift to become a company that works with integrity and respect, recognizing that we are stewards of our resources.

These core values are our commitment to operating responsibly. Just as our values don't change, our drive to be a better company will not waver. The safety of our employees and contractors is our top priority, and we are committed to environmental stewardship in the communities in which we operate. Producing the world's energy is a powerful purpose, but operating with integrity is an even greater responsibility.

2015 was a difficult year for our industry — a year characterized by a depressed commodity price environment and market uncertainty. At Chesapeake, these challenges further motivate us to look toward the future. We've had an opportunity to pause, evaluate how we do business, and innovate. This focus on the future, coupled with operational enhancements, further strengthens our corporate responsibility practices.

Last year we improved operating efficiencies while increasing production year over year, reduced our debt and renegotiated our midstream agreements to improve our drilling economics. These changes have made Chesapeake a stronger company, positioning us to meet market challenges head-on.

We pursue continuous improvement in all that we do, including our corporate responsibility reporting. This year we transitioned to an online report to enable timelier reporting and greater adaptability to topics of interest to our stakeholders. I encourage you to review this summary and our website to learn how we approach corporate responsibility and appreciate the depth of our commitment.

On behalf of our Chesapeake team, we look forward to another year of continued progress and innovation, while demonstrating leadership in safety and environmental stewardship in all aspects of our business.



**Robert D. Lawler**  
President, Chief Executive Officer and Director  
May 2016



“Producing the world’s energy is a powerful purpose, but operating with integrity is an even greater responsibility.”

# Corporate Responsibility Approach

Corporate responsibility is embedded in the culture of Chesapeake, and our core values guide us to conduct our business with integrity and continuous improvement. We set a high standard for ourselves — and our partners — recognizing the responsibility entrusted to us by our stakeholders.



## ABOUT OUR REPORT

2015 marks our fifth year publishing an annual corporate responsibility report, focusing on the progress and performance of issues material to our business and of greatest relevance to our stakeholders.

True to our culture of continuous improvement and based on feedback from stakeholder conversations, we are committed to providing timely information about our sustainability efforts. For this reason, we transitioned our corporate responsibility report to be fully online ([chk.com/responsibility](http://chk.com/responsibility)) and will review and update our website's content as needed. We will also publish an annual summary of our sustainability efforts and report our performance data for the calendar year.

We referenced both the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines and the Oil and Gas Industry

Guidance on Voluntary Sustainability Reporting by the International Petroleum Industry Environmental Conservation Association (IPIECA) when determining reporting parameters, and the data included in the performance table reflects our operations at the end of 2015.

The content of this summary document provides an overview of our approaches to four key areas:

- » **Governance**
- » **Environment, Health and Safety**
- » **Communities**
- » **Our Culture**

View the full report at [chk.com/responsibility](http://chk.com/responsibility).

# Governance

Chesapeake works hard to maintain the faith and trust of our stakeholders. We earn this trust by acting in an ethical manner to protect our people, the environment, the communities where we operate, and our assets. This starts by having accountability at all levels and systems in place to uphold our high standards for conduct.

**7** independent board members (out of 8)  
as of May 20, 2016

**99.9%** employees certified in our Code of Business Conduct

**886** business partners trained in our Supplier Code of Conduct

Our company core values guide management and employee decision making. These values define us, setting high standards for our performance and shaping our commitment to responsible operations.

Living our core values starts at the board level. Elected by our shareholders, Chesapeake's Board of Directors oversees the long-term health and success of our business. The directors are skilled leaders with diverse experience equipping them to effectively advise Chesapeake's senior management.

Each Chesapeake director and employee must abide by Chesapeake's Code of Business Conduct, which is structured around our core values. To help employees understand expectations around the Code, the company regularly hosts training sessions, and senior management reference the Code during company meetings. Each year employees must review the Code and sign

a Code certification, and certain employees receive specialized compliance training sessions tailored to their job functions.

Strict conduct standards apply to everyone working for and with Chesapeake. We are dedicated to maintaining an ethical, safe and competitive supply chain as managed by our centralized Supply Chain team. Suppliers must first pass a prequalification process during which their safety and environmental performance is evaluated before being accepted as qualified Chesapeake partners. If selected to work for Chesapeake, their conduct is subject to our Supplier Code of Conduct mandating that all business partners share Chesapeake's commitment to providing a safe and environmentally responsible workplace.

Beyond being the right thing to do, maintaining a culture committed to ethical behavior and compliance gives our company a stronger ability to manage our risk. Although our Board of Directors has primary responsibility for risk oversight, we integrate risk management throughout our business, utilizing the three lines of defense model as a framework.



## THREE LINES OF DEFENSE



We view risk management as a cycle incorporating five key aspects: identification; assessment; evaluation; treatment; and monitoring and reporting. Should a risk require treatment, management oversees the development and execution of mitigation plans to reduce the risk to an acceptable level. Even after treatment, we commit to monitoring risk as added assurance.

# Environment, Health and Safety

The reputation and strength of our company is built upon safety and stewardship. This starts with a culture of respect — a culture where compliance outweighs convenience and employee ownership means there is accountability at every level. Each year we set companywide performance metrics with safety and environmental goals topping our company priority list. To reach our goals, we engage our Environment, Health and Safety (EHS) road map, a strategic approach that emphasizes four categories critical to our success.



**~18** EHS training hours per employee

**22%** reduction in motor vehicle accident rate

**571** first responders reached through industry information sessions

**2016 TRIR GOAL:**  
**0.31**

**1.19** water efficiency (number of gallons used to produce 1 mmbtu of energy)

**1.5** million gallons of diesel reduced through the use of alternative fuels

**100%** of wells reported to FracFocus

**2016 REPORTABLE SPILLS (LIQUID) GOAL:**  
**10%** reduction (improvement over 2015)

## SAFETY

Safety is more than a company metric — it is a value that reflects our commitment to quality operations. We set strict safety standards and operate so that our work sites are safe for everyone every day.

Creating an incident-free work environment starts with setting clear expectations among employees, contractors and suppliers regarding our safety standards, and providing these individuals with the skills necessary to promote safety in their areas of work.

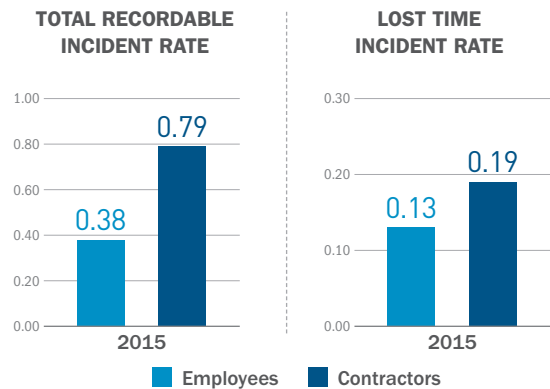
The foundation of our safety training efforts is our Stay Accident Free Every Day (S.A.F.E.) initiative, which encourages all workers on our sites to take personal responsibility for their safety and the safety of those around them. This behavior-based program uses techniques such as trainings, testimonials and employee empowerment to address the activities that can often lead to safety incidents.



Recognizing that safety depends on everyone at our work sites, we implemented a comprehensive contractor management and safety program. Our uncompromising safety standard requires all Chesapeake contractors to complete a prequalification

process, including both a Chesapeake safety orientation and an industry training course, before arriving on a company location. This orientation sets clear safety expectations in accordance with SafeLandUSA industry-standard safety guidelines.

Should an incident occur, it is our commitment to learn from it and if needed, improve our processes. To deliver on this commitment, we utilize a root cause investigation system to standardize our reporting, investigation and analysis of incidents. We also have emergency procedures in place, which provide employees with the framework and action steps critical to responding to incidents in a safe, effective and efficient manner.



## ENVIRONMENT

Chesapeake is committed to protecting our natural resources and reducing our environmental footprint. We deliver on this commitment in a number of ways, most notably by:

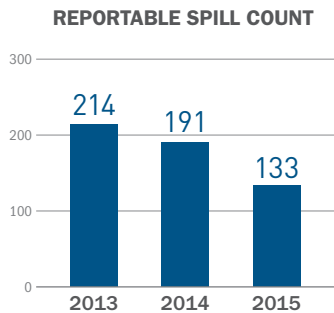
- » Preventing spills
- » Preserving air quality
- » Using water responsibly
- » Assessing sites for environmental protection

While we work extensively to train our employees in incident response, we also partner with local fire and police departments to increase their capacity in the event of an emergency. In 2015, through our First Responder Outreach program, we reached 158 first responder agencies, including 571 individuals, with information about how the industry works, key industry terminology and potential well site hazards.



## PREVENTING SPILLS

Reducing spills is one of our key performance objectives driving accountability across all employee levels. Using spill causal analysis, strategic facility design and operational improvements, we have decreased our number of spills reportable to regulatory agencies each year since 2013.



Prevention is our primary goal in reducing our number of spills. Goal setting, paired with our spill prevention initiatives, has enabled us to make significant improvements. Members from our Engineering, Operations and EHS teams collaborate to implement operational design improvements needed to prevent spills, collect and analyze spill data, identify spill causes and recommend process and quality improvements to address each specific incident.

## PRESERVING AIR QUALITY

We are committed to reducing our air emissions through enhanced facility design, advanced technology to identify and repair leaks, and utilizing low-emission fuels where available.

Identifying preventative and corrective maintenance needs also allows us to reduce our impact. Using an application on their smartphones, lease operators can access a checklist of observations to conduct for air quality. After conducting their reviews, lease operators file real-time reports through the application, which are reviewed to determine if corrective action is needed.

We also utilize an electronic air dashboard to accurately track and report emissions data for both compliance and continuous improvement. Dashboard data analysis can help identify equipment in need of modification or updating, preventing an emission event.

## USING WATER RESPONSIBLY

Water is essential for energy development, making our commitment to water sourcing and stewardship critical to future operations. Where possible, Chesapeake seeks to use non-potable water sources first for our operating needs. Consistent with this commitment, we adopted a companywide electronic water tracking system to more accurately monitor our water usage.

Another way we practice water stewardship is through our Aqua Renew® initiative, a program that aims to recycle produced water and evaluates other alternatives to freshwater, such as brackish groundwater. In 2015, we recycled more than 127.5 million gallons of produced water.

## ASSESSING SITES FOR ENVIRONMENTAL PROTECTION

Planning is key to the delivery of our company's environmental stewardship commitment. In 2015, Chesapeake implemented a site assessment standard focused on protecting four primary categories:

- » **Aquatic resources**
- » **Archaeological sites**
- » **Sensitive species**
- » **Floodplains**

Prior to initiating construction activity, we carefully assess the varying aspects of a proposed location, from its geography and topography to the existence of sensitive wildlife habitat or potential for cultural resources. Central to this program is going above and beyond compliance requirements in our procedures. This means flagging any sensitivities within the limits of disturbance (LOD) of our operations, plus 100 feet beyond the LOD. If an environmental receptor is identified within the LOD, we try to avoid or minimize impacts by relocating site activity or developing a plan to protect the resource.

*Chesapeake utilizes forward-looking infrared (FLIR) cameras to detect gas leaks and to direct specific maintenance activities. The infrared camera allows field technicians to visualize leaks that may otherwise be invisible to the naked eye as well as help pinpoint the leak source itself. Leaks discovered with the FLIR camera are repaired, improving employee safety at our well sites and reducing our environmental footprint.*





# Communities

The communities where we operate are also the communities where we live. We recognize the opportunity that we have been given — to be both a neighbor and an operator on someone's land — and we approach this role with a focus on safety and stewardship. We commit to responsible operations while we also work to strengthen the areas where we do business, leaving a positive impact through economic and community support.

**\$2.62 million** in charitable giving

**175** nonprofit organizations supported

**\$313.6 million** in tax payments

**D**elivering on our business strategies offers a financial benefit to our shareholders and a positive impact on our communities. Our operations generate economic development through job creation, capital investment, tax payments to municipalities and payments to our royalty owners. In the last three years (2013 to 2015), we have paid more than \$1.5 billion in state and federal taxes, helping facilitate infrastructure projects, education efforts and safety services.

We have also provided an economic benefit to our royalty owners — those who allow us to produce energy with their minerals or on their properties. Operating on the land that someone calls home is a huge responsibility, and it is one that we take seriously.

We commit to being accessible to our owners through our local field employees, presence at community and industry events, and via our Owner Relations Department. This department serves as a central information hub for owners, responding personally and efficiently to inquiries about topics such as lease agreements, payments and production.

Just as we work to build long-term relationships with our royalty owners, we also partner with local nonprofit organizations to give back to the areas where we operate.

In 2015 we thoughtfully realigned our social responsibility program to better reflect our core values, support our business purpose and engage more resourcefully with our communities. Our program centers around four key engagement elements, all emphasizing involvement at the local level.

- » **CHARITABLE DONATIONS** — Supporting organizations that align with our core values and business strategies
- » **IN-KIND DONATIONS** — Repurposing materials that have been retired from the corporate lifecycle
- » **H.E.L.P. INITIATIVE** — Connecting employees with local volunteer needs to create positive change in our communities
- » **MENTORING** — Partnering employees with local students to encourage academic success and build self-esteem

In 2015, we celebrated the 20th anniversary of our mentoring program, one of the largest mentoring programs in Oklahoma. Each week during the school year, more than 250 employees visit one on one with elementary, middle and high school students during their workday. This opportunity is in addition to the four hours of company time that each employee receives annually to volunteer through our H.E.L.P. Initiative.



Every fall, Chesapeake hosts an employee-driven companywide fundraising campaign for our local United Way chapters. In Oklahoma City, we consistently have one of United Way of Central Oklahoma's largest employee giving campaigns — in 2015, our employees raised more than \$1 million.

## Our Culture

To be a great place to work, we must be a great business. This means having an innovative work culture, developing and empowering our talented and diverse workforce, and focusing on operational excellence, safety and value maximization for our shareholders.

91,000 hours  
of professional  
development training

\$5,250  
in annual tuition  
reimbursement  
per employee

87% of supervisors  
and above completed  
diversity training

Particularly in a low commodity price environment, giving employees ownership in Chesapeake's success is critical to our future growth. Our compensation system — Performance Plus — aligns employee compensation and individual performance with company performance, making each employee responsible for Chesapeake's success. Through the program, employees set individual annual goals that support the company's overall objectives, and those employees who meet or exceed their goals are eligible for higher bonus payouts.

To further align and engage employees with company goals, a culture of transparency and open communication is key. From regular Town Hall meetings with senior leadership to employee task forces, we keep employees informed, and empower them to be involved in company decision making.

To appreciate those employees who go above and beyond their job responsibilities, we have several employee recognition programs. One of these programs is Applause, an online platform that encourages managers and employees to honor their co-workers for positive, on-the-job behaviors.

It is our goal to help Chesapeake employees reach their full potential while driving company success. From training programs to career advisory initiatives, we offer a number of resources that emphasize both skills training and career growth. And beyond internal training opportunities, the company offers a tuition reimbursement program providing employees up to \$5,250 per calendar year.

Key to strengthening and developing our workforce is increasing the diversity of our employees through proactive measures. Adopted in 2015 and formally introduced in 2016, the Chesapeake Diversity Council serves as an advisory body, taking a leadership role in developing diversity programs for the company. These programs promote awareness and inclusion and encourage diversity of thought and experiences.

In support of our Equal Employment Policy, we formalized an affirmative action program that offers annual diversity training to all supervisors and above, as well as an annual analysis of the company's population to determine if there are any areas particularly lacking in diversity. We also conduct a fairness check each performance review cycle to identify if any protected groups have areas of potential adverse impact.



*Employees have the opportunity to participate in a talent review process during which their individual career development is discussed. These meetings can result in changes in responsibilities or career moves within the company. Talent review is intentionally separate from our performance review process to provide employees with another opportunity for feedback and input on their career progression.*

# Key Performance Metrics 2015

data reflected as of December 31, 2015

ECONOMIC	
Revenues	\$12.764 billion
Net income available to shareholders	(\$14.856 billion)
EBITDA	\$2.385 billion
Operating cash flow	\$2.268 billion
Cash dividends declared per common share	\$0.09
Tax payments (state and federal)	\$313.6 million
Number of operated wells	20,800
Average daily production (mboe/d)	679
Proved reserves (bboe)	1.504

GOVERNANCE	
Board members*	8
Independent Board members*	7
Average Board meeting attendance (%)	99%
CEO target compensation variable or at-risk (%)	~ 87%
Employees certified in Code of Business Conduct (%)	99.9%
Business partners trained in Supplier Code of Conduct	886
Ethics investigations / investigations resulting from hotline	119 / 67
Contributions to trade associations and chambers	\$10.47 million
Federal lobbying expenses	\$1.11 million
Employee-funded Political Action Committee (PAC) expenditures	\$385,930
Corporate contributions to candidates, campaign committees or Super PACs	\$0

HEALTH AND SAFETY	
Environment, Health and Safety (EHS) professionals	155
EHS training hours	76,425
Employees trained in safe driving courses	2,121
Motor vehicle accident (MVA) rate (per million miles)	2.02
Employee Total Recordable Incident Rate (TRIR)	0.38
Employee Lost Time Incident Rate (LTIR)	0.13
Employee fatalities	0
Contractor TRIR	0.79
Contractor LTIR	0.19
Contractor fatalities	0

\* As of May 20, 2016

ENVIRONMENT	
Greenhouse gas emissions (million metric tons CO <sub>2</sub> e)**	4.62
Methane loss rate***	0.26%
Average water used to drill and complete a well (gal/foot)	394
Water efficiency (gal/mmbtu)	1.19
Total volume of produced water recycled/reused (gal)	127,600,000
Wells reported to FracFocus since 2011 (%)	100%
Spills > 100 bbls (#)****	32
Spills > 100 bbls (# of bbls)****	15,018
Spills > 100 bbls (volume recovered, bbls)****	11,980
Spills > 100 bbls (% recovered)****	80%
Ratio of crude oil and condensate to produced fluids	0.00016%
Environmental penalty assessments in excess of \$100,000 (#)	3
Fleet vehicles / CNG vehicles in fleet	2,381 / 1,250
Annual CNG cost savings	\$549,950
Fleet fuel usage gasoline (gal / %)	3,698,375 / 75%
Fleet fuel usage CNG (gge / %)	999,909 / 20%
Fleet fuel usage diesel (gal / %)	228,645 / 5%

COMMUNITIES	
Charitable giving (financial / in-kind)	\$2.62 million
Organizations receiving donations (financial / in-kind)	175
Employee giving (workplace campaigns)	\$1.03 million
Contact center interactions (phone calls / emails)	~ 203,000

EMPLOYEES	
Employee headcount	4,370
New hires (#)	342
Female new hires (%)	20%
Women in workforce (%) / at headquarters (%)	28% / 42%
Women in leadership (director level and above) (%)	23%
Ethnic minorities in workforce (%)	13%
Veterans in workforce (%)	13%
Median workforce age	35
Turnover rate	33%
Turnover rate, excluding staff reduction	14%
Total professional development training hours	91,228

\*\* Emissions estimate developed under the EPA's Greenhouse Gas Reporting Program and including our petroleum and natural gas production basins

\*\*\* Emissions divided by natural gas production from operated wells as reported under the EPA's Greenhouse Gas Reporting Program

\*\*\*\* Ongoing spill evaluations could result in volume changes

Information regarding our reportable spill count and environmental penalty assessments was revised May 2017.



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OKLAHOMA CITY, OK 73118

[CHK.COM](http://CHK.COM)



#### **OUR STORIES**

Every day Chesapeake employees create value that drives our company forward and capitalizes on our strengths — high-quality assets, advanced technical capabilities and ongoing operating efficiencies, to name just a few. We share these topics in the News and Stories section of [chk.com/media](http://chk.com/media).

#### **CORPORATE RESPONSIBILITY REPORT**

View the full report at [chk.com/responsibility](http://chk.com/responsibility).

#### **COMMUNICATE WITH THE COMPANY**

##### **Board of Directors**

866-291-3401 (Director Access Line)

##### **Compliance and Ethics**

877-CHK-8007 (877-245-8007)

(anonymous)

[compliance@chk.com](mailto:compliance@chk.com)

[chkethics.com](http://chkethics.com)

##### **Investor Relations**

405-935-8870

[ir@chk.com](mailto:ir@chk.com)

##### **Owner Relations**

877-CHK-1GAS (877-245-1427)

[contact@chk.com](mailto:contact@chk.com)