

**EQT**

*Earning trust through transparency.*



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### TRANSITIONING TO GRI 4.0

The 2014/2015 Corporate Social Responsibility report for EQT Corporation (EQT or Company) marks a significant expansion of the Company's commitment to transparency and accountability in its operations. Previous reports followed Global Reporting Initiative (GRI) guidelines 3.1 with the Oil & Gas Sector Supplement (OGSS). This latest report adheres to the newer GRI 4.0 standards, including the updated OGSS, which provide a more detailed account of performance in categories that are most important to the Company and its stakeholders. As with previous publications, EQT used GRI standards and technical protocols to determine the materiality of data, methods for reporting data, and validating completeness.

### REPORT BOUNDARIES

This report covers activity from January 1, 2014 to December 31, 2014 at EQT headquarters, all locations of the Company's Production and Midstream business segments, and the operations of EQT Midstream Partners, LP (Partnership or EQM), for which EQT was a general partner and significant equity owner at year-end 2014. EQT reflects the results of the Partnership in its 2014 financial data and in the operational activities of EQT's Midstream business segment. The report does not cover EQT's foreign subsidiaries, which are either inactive or in the process of winding down.

### DEFINING MATERIAL ASPECTS

EQT's primary objective for preparing an annual sustainability report is to identify and disclose the information that its stakeholders value, and to help them understand how the Company operates as a safe, responsible, and accountable corporate citizen. A commitment to transparency ensures that EQT identifies and discloses the information that is most important in helping stakeholders assess its performance in several key areas of sustainability. By using internal risk assessments, benchmarking, and gap analysis, the Company is able to identify which sustainability topics are most material to the business and its stakeholders.

**AS DEFINED BY GRI 4.0 AND THE OGSS, EQT DECLARES THE FOLLOWING ASPECTS AS MATERIAL:**

GRI 4.0 Category	Economic	Environmental
Aspects	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Indirect Economic Impacts</li> <li>• Procurement Practices</li> <li>• Reserves*</li> </ul>	<ul style="list-style-type: none"> <li>• Water</li> <li>• Emissions</li> <li>• Effluents and Waste</li> <li>• Compliance</li> <li>• Transport</li> </ul>
GRI 4.0 Category	Social	
Sub-Categories	Labor Practices and Decent Work	Society
Aspects	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Labor/Management Relations</li> <li>• Occupational Health and Safety</li> <li>• Training and Education</li> <li>• Diversity and Equal Opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Local Communities</li> <li>• Anti-corruption</li> <li>• Public Policy</li> <li>• Anti-competitive Behavior</li> </ul>

\* Content from the G4.0 Oil & Gas Sector Supplement

When selecting these aspects for reporting purposes, EQT also considered:

- Scope of all Aspects (as defined here) available for reporting
- Significance of EQT’s economic, environmental, and social impacts
- Influence of EQT impacts on stakeholder assessments and decisions
- Relevance of these Aspects and topics in addressing EQT’s impacts
- EQT’s ability to provide complete disclosure responses to these Aspects that enable stakeholders to assess EQT’s performance

EQT may also disclose other Aspects and related information in this report not declared as material by GRI standards.

## IN ACCORDANCE OPTION

EQT is pleased to announce that its 2015 Corporate Social Responsibility report has been prepared in accordance with the criteria defined by GRI 4.0 and the G4.0 OGSS, and that it complies with the **In Accordance – Comprehensive** option. EQT conducted a self-assessment of the report; however, it did not submit the report for external assurance.

EQT’s Corporate Director, Communications is ultimately responsible for compiling, verifying, and approving the information contained in this sustainability report, including ensuring that all material aspects are covered.



Dear Stakeholders,

Thank you for taking time to read about EQT Corporation's annual sustainability performance; and thank you to the many colleagues who gathered, reviewed, and refined data for our Company's 2015 Corporate Social Responsibility (CSR) report. Using Global Reporting Initiative (GRI) standards, this year's report is based on the principle of "transparency" and the importance of providing honest communications, straightforward and factual education, and interactive outreach opportunities to each of our stakeholder audiences.

This report contains 2014 year-end performance data — and in that same year, EQT participated in a regional energy forum and presented a discussion titled "Responsible Operations: Earning Trust Beyond What Is Expected." Much of that messaging is the basis of this 2015 CSR report. You see, for those in the energy industry who have experienced the dramatic change that has taken place during the past decade, the lesson quickly learned was that in order to succeed, companies must go above and beyond minimum expectations. They need to build trust at all levels so that they can responsibly and prudently tap the energy reserves that deliver so many benefits to society.

As with any industry, the energy sector has a broad range of stakeholders that require engagement. They are located in our nation's capital, in our state capitals, and our local communities. However, the issues at the core of the public dialogue surrounding shale gas development remain the same at all levels. And it is up to the industry to continue educating and communicating a balanced message of the risks, costs, and benefits associated with natural gas development.

EQT's CSR report addresses these critical topics of public interest, including safety, environmental stewardship, social engagement, and economic benefits. In EQT's operating regions, we work hard to be good neighbors — our local communities expect engagement and they expect transparency. That's why each of us at EQT is dedicated to maintaining regulatory compliance, working toward a zero-injury workplace, preserving and protecting the environment, and giving back to our communities. It is also why we prepare reports like this one, to openly share our performance with you — our stakeholders.

A handwritten signature in black ink that reads "David L. Porges". The signature is written in a cursive, flowing style.

**David L. Porges**

Chief Executive Officer  
EQT Corporation



## COMPANY BACKGROUND

EQT Corporation (NYSE: EQT), a Standard & Poor’s 500 investor-owned corporation, is headquartered in Pittsburgh, Pennsylvania and operates primarily within the United States of America. An integrated energy company with emphasis on Appalachian-area natural gas production, gathering, and transmission, EQT began from more humble origins as Equitable Gas Company, a member of the diverse family of businesses created in 1888 by inventor and entrepreneur George Westinghouse. Today, with more than 125 years of history and experience in the natural gas industry, EQT maintains its position as a leader in the use of advanced horizontal drilling technology — designed to minimize the potential impact of drilling-related activities and reduce the overall environmental footprint. Through safe and responsible operations, the Company is committed to sustainability as it helps meet the country’s growing demand for clean-burning energy; protects the environment; provides a rewarding workplace; and enriches the communities where its stakeholders live and work.

EQT’s produced natural gas sells as a commodity to marketers, utilities, and industrial customers located mainly in the Appalachian Basin and the Northeastern United States, as well as the Permian Basin of Texas. The Company’s current transportation portfolio also enables the Company to reach markets along the Gulf Coast of the United States.

### FAST FACTS: EQT Corporation

As of December 31, 2014

Type	Investor-Owned
NYSE	EQT
Founded	1888
Headquarters	Pittsburgh, Pennsylvania
Employees	1,750
Business Segments	Production, Midstream
Affiliated Company	EQT Midstream Partners, LP

## CORPORATE STRUCTURE

At the end of 2014, the EQT workforce totaled 1,750 employees working in Pennsylvania (PA), West Virginia (WV), Ohio (OH), Kentucky (KY), Virginia (VA), and Texas (TX); and in addition to the corporate headquarters, operated through two business segments: Production and Midstream.

The **Production** segment is one of the largest natural gas producers in the Appalachian Basin with 10.7 Tcfe of proved natural gas, natural gas liquids, and crude oil reserves across approximately 3.4 million gross acres. As of December 31, 2014, approximately 630,000 of those gross acres were concentrated in the Marcellus Shale play.

EQT believes it is a technology leader in extended lateral horizontal and completion drilling in the Appalachian Basin, and continues to improve its operations by using new, innovative technology in order to maintain an industry leading cost structure to develop its reserves profitably. Proved reserves held by EQT increased 29% in 2014, primarily across the Marcellus shale play, which contributed approximately 8.7 Tcfe in total proved reserves, including Upper Devonian assets.

The **Midstream** segment is capitalizing on the rapidly increasing need for gathering and transmission infrastructure in the Appalachian Basin. In 2012, EQT formed EQT Midstream Partners LP (Partnership) to own, operate, acquire, and develop midstream assets in the Appalachian Basin. The Partnership provides midstream services to the Company and other third parties through its two primary assets: the Partnership's transmission and storage system and the Partnership's gathering system. Unless otherwise noted, discussions in this report regarding the Midstream segment's business, operations, and results include the Partnership's business, operations, and results.

At the end of 2014, the gathering system included approximately 8,200 miles of gathering lines, 1,500 miles of which are low-pressure gathering lines regulated by the Federal Energy Regulatory Commission (FERC) and owned by the Partnership. The Partnership also owned 45 miles of high-pressure gathering lines, which are not subject to federal rate regulation. The year-end 2014 Marcellus gathering capacity was 1,975 MMcf per day.

The transmission and storage system includes approximately 900 miles of FERC-regulated interstate pipeline that connects to five unique interstate pipelines and multiple distribution companies. The Partnership, through its affiliate Equitrans, LP, owns and operates 700 of these miles, while the remaining 200 miles, known as the Allegheny Valley Connector (AVC), are owned by EQT and operated by the Partnership under a lease between the Partnership and EQT.

The transmission system is supported by 18 natural gas storage reservoirs with approximately 660 MMcf per day of peak delivery capability and 47 Bcf of certificated working gas capacity. These reservoirs are clustered in two strategic geographic areas of southwestern PA and northern WV. Of these reservoirs, 14 are owned by the Partnership, while the remaining four reservoirs are part of the AVC, which is owned by EQT.

## GOVERNANCE

### ETHICAL CONDUCT

EQT values integrity and expects all directors, officers, employees, suppliers, agents, contractors, and consultants working with EQT or EQM to conduct business in an ethical manner. Each entity produces a Code of Business Conduct and Ethics that is available for review by employees and other stakeholders. The EQT Code of Conduct and Business Ethics is available on its website (eqt.com) under "Charters and Documents" in the "Investors" section. The EQM Code of Conduct is available on the Partnership's website (eqtmidstreampartners.com) under "EQM Governance" in the "Investors" section.

In addition, EQT's corresponding policies and procedures provide supplementary guidance to, and set expectations for, employees involved in EQT and EQM business activities.

### THE CODES OF BUSINESS CONDUCT AND ETHICS

The Codes of Business Conduct and Ethics reflect the commitment of EQT and EQM Boards of Directors, and their executive officers, to create and maintain a culture that encourages ethical conduct and compliance with the law.

All new employees receive in-person compliance and ethics training during their orientation. In addition, new employees are required to complete online training regarding the Codes of Business Conduct and Ethics and other compliance and ethics topics within the first few months of their tenure. Existing employees receive Codes of Business Conduct and Ethics and other compliance and ethics training on an as-needed basis, determined by the business leaders or the compliance and ethics department. Ongoing training is provided primarily through in-person training. All employees annually certify their understanding of and compliance with the Codes of Business Conduct and Ethics and related policies.

The General Counsel and Vice President, External Affairs of EQT is ultimately responsible for compliance. EQT periodically conducts onsite presentations to review major policy changes, answer questions, and remind employees of their individual responsibility for compliance. To keep ethics top of mind for everyone, employees have multiple resources for asking questions; and a quick poll question, derived from the Code of Conduct, is featured on the Company's intranet site at least quarterly.



The General Counsel also has overall responsibility for the mechanisms available to stakeholders seeking advice about ethical behavior. All employees and business partners have access to the Codes of Business Conduct and Ethics, which detail the internal and external mechanisms for seeking advice. Current employees may seek advice by contacting their supervisor, a member of the Compliance Network (see below), or the Compliance Hotline. New employees receive training on how to seek advice regarding ethical and lawful behavior during their orientation. Requests for advice remain confidential to the extent possible.

The Compliance Network is a collection of employees (e.g. Corporate Director, Enterprise Risk and Compliance; Corporate Director, Internal Audit; Counsel and Corporate Director, Employee Relations; Deputy General Counsel, Governance and Enterprise Risk; and Deputy General Counsel, Environmental, Safety, and Public Policy) responsible for facilitating compliance with laws, regulations, and the Codes of Business Conduct and Ethics. The Compliance Network is also a resource available to answer employee questions.

The Compliance Hotline offers an anonymous mechanism for seeking advice on ethical and lawful behavior. The Compliance Hotline, hosted by a nationally recognized independent service provider, is available 24 hours a day, seven days a week.

Employees and third parties can also seek advice via the EQT or EQM Boards of Directors. Submission forms are available on each company's website. Alternatively, employees and third parties may contact the EQT Lead Independent Director or the EQM Presiding Director via email at, [presidingdirector@eqt.com](mailto:presidingdirector@eqt.com) or [presidingdirector@eqtmidstreampartners.com](mailto:presidingdirector@eqtmidstreampartners.com), respectively.

While each company seeks to address every request for advice, they do not track the number or the descriptions of those requests. They also do not track the level of satisfaction for those using the mechanisms for seeking advice, but consider all comments when identifying areas for improvement.

The majority of vendors receive an annual letter from EQT's Corporate Director, Enterprise Risk and Compliance, notifying them of their obligation to comply with the Codes of Business Conduct and Ethics, their responsibilities related to conflicts of interest, and the channels available to seek advice.

### CONFLICTS OF INTEREST

EQT and EQM each have a Conflicts of Interest policy. The Codes of Business Conduct outline the responsibilities of every employee to avoid such conflicts, and provides examples and references to help identify potential conflicts and obtain guidance as needed. EQT's processes regarding related person transactions are set forth on pages 27-29 of the 2015 EQT Proxy Statement; there are no compensation committee interlocks involving an EQT director.

### GOVERNANCE STRUCTURE

EQT's Board of Directors (EQT Board) manages the business affairs of the Company. The EQT Board has five standing committees: Audit; Management Development and Compensation; Corporate Governance; Public Policy and Corporate Responsibility; and Executive.

### EQT Board of Directors – 2014

	Executive	Independent	Total
Male	1	8	9
Female	0	2	2
Male	100%	80%	82%
Female	0%	20%	18%
Minority	0%	20%	18%
Non-Minority	100%	80%	82%
Age < 30	0%	0%	0%
Age 30-50	0%	0%	0%
Age > 50	100%	100%	100%

*EQT Board committees and responsibilities are found on pages 20-21 of the EQT 2015 Proxy Statement.*

In 2014, the EQT Board held six regular meetings and one special meeting. The Committees of the EQT Board met as noted on pages 20-21 of the EQT 2015 Proxy Statement. At each of these meetings, the committees reviewed the economic, environmental, and social impacts, risks, and opportunities facing EQT.

The Board of Directors of EQT Midstream Services, LLC (EQM Board) manages and directs the activities of EQM’s general partner, which in turn directs the business and affairs of the Partnership. The EQM Board has two standing committees: Audit and Conflicts.

In 2014, the EQM Board held seven regular meetings. The Audit Committee held four meetings, and the Conflicts Committee held seven meetings. At each of the aforementioned meetings, the committees reviewed the economic, environmental, and social impacts, risks, and opportunities facing EQM.

### EQM Board of Directors – 2014

	Executive	Independent	Total
Male	4	2	6
Female	0	1	1
Male	100%	66%	86%
Female	0%	34%	14%
Minority	0%	34%	14%
Non-Minority	100%	66%	86%
Age < 30	0%	0%	0%
Age 30-50	0%	14%	14%
Age > 50	100%	86%	86%

*EQM Board committees and responsibilities are found on pages 88-89 of the EQM 2015 Form 10-K.*

In addition to general oversight of the business and affairs of the applicable entity, the Boards of EQT and EQM also perform a number of specific functions, which are set forth in Paragraph 2 of their respective Corporate Governance Guidelines. The EQT and EQM Corporate Governance Guidelines are available to the public for review in the “Investors” section of each company’s website.

Each board has delegated authority for economic, environmental, and social topics to its Chief Executive Officer, who in turn has delegated certain of those authorities to members of senior management pursuant to established roles and responsibilities. These managers report directly to the Chief Executive Officer, who in turn reports directly to the applicable Board of Directors.

EQT does not have governance mechanisms in place for specifically managing sustainability risks and opportunities; however, the Public Policy and Corporate Responsibility Committee of the EQT Board provides oversight for many aspects of sustainability risks and opportunities. For additional information about this committee and its responsibilities, see “Public Policy and Corporate Responsibility Committee Charter” under “Corporate Governance/Charters and Documents” on the “Investors” section of EQT’s website.

### COMPOSITION OF THE BOARD OF DIRECTORS

A summary description of the EQT Board composition is set forth on page 2 of the EQT 2015 Proxy Statement, found on the “Investors” section of the EQT website under “SEC Filings.” For a more detailed description of each EQT director’s qualifications and significant positions, see pages 13-19 of the EQT 2015 Proxy Statement. EQT’s Board includes two women and two members of underrepresented social groups.

David L. Porges is the Chairman, CEO, and President of EQT. EQT’s philosophy regarding the leadership structure of its board is set forth in Paragraph 5(g) of the Corporate Governance Guidelines, which are available under “Charters and Documents” in the “Investors” section of EQT’s website.

Beginning in 2016, each of the EQT directors will stand for election by shareholders annually. The EQT Board may fill vacancies. The nomination and selection process for the EQT Board is described on pages 25-26 of the 2015 EQT Proxy Statement under the heading “Director Nominations.”

A description of the EQM Board, including each director’s qualifications and significant positions, is set forth on pages 86-88 of EQM’s 2014 Form 10-K, which is found in the “Investors” section of the EQM website under “EQM SEC Filings.” The EQM Board includes one woman and one member of an underrepresented social group.

David L. Porges is also the Chairman, CEO, and President of EQM’s general partner. EQM’s philosophy regarding the leadership structure of its board is set forth in Paragraph 5(d) of the EQM Corporate Governance Guidelines, which are available under “EQM Governance” in the “Investors” section of EQM’s website.

EQT appoints the members of the EQM Board; and unitholders are not entitled to elect the directors of the general partner. Paragraph 5(a) of the EQM Corporate Governance Guidelines, available under “EQM Governance” in the “Investors” section of EQM’s website, provides a description of the process for selecting members of the EQM Board.

## COMPETENCIES AND PERFORMANCE EVALUATIONS

EQT and EQM are each committed to providing directors with an initial orientation to board service. The directors of each company routinely receive information to educate them on the business of their respective company, including economic, environmental, and social topics. Directors of EQT and EQM are encouraged to participate in educational programs, for which both companies provide reimbursement.

The EQT Board and each of its committees engage in annual self-assessments. EQT's directors assess their individual performance in meetings with the EQT Lead Independent Director. The EQM Board and Audit Committee also conduct an annual self-assessment. The EQT Board and EQM Board each take the self-assessment seriously and will take action in response to the results thereto, as necessary or desirable.

## COMMUNICATING WITH THE BOARD

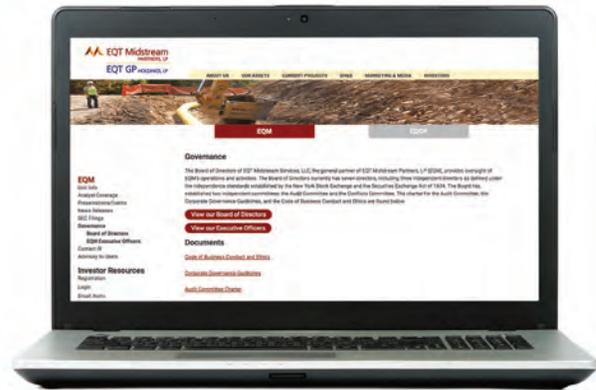
When making decisions on behalf of the applicable company, the EQT Board and the EQM Board each consider the feedback from their respective stakeholders.

Stakeholders wishing to consult with either Board on sustainability issues may contact the Lead Independent Director of the EQT Board, or the Presiding Director of the Partnership's board, following the procedures found in the "Investors" section of the EQT or EQM websites. These websites are also a good source of information about the overarching corporate governance practices of both entities, which include charters for each of the standing committees of the respective boards. EQT and EQM disclose conflicts of interest to stakeholders as required by law.

## RISK ASSESSMENT AND MANAGEMENT

The EQT Board and Audit Committee are jointly responsible for reviewing the process for assessing the major risks facing EQT and the related risk mitigation options. Please see the heading "Board's Role in Risk Oversight" on page 25 of the EQT 2015 Proxy Statement for more information regarding EQT's risk management process. The EQM Audit Committee is responsible for reviewing the process for assessing the major risks facing EQM and the related risk mitigation options.

For a discussion of the key impacts and risks faced by EQT and its operations, refer to pages 7-28 of EQT's Form 10-K for fiscal year ended December 31, 2014, which is found under "SEC Filings" in the "Investors" section of the EQT website. Information regarding the opportunities available to EQT and its operations may be found in the Company's most recent analyst presentation that is posted under "Events and Presentations" of the "Investors" section of EQT's website.



For a discussion of the key impacts and risks faced by EQM and its operations, refer to pages 22-46 of EQM's Form 10-K for fiscal year ended December 31, 2014, which is found under "EQM SEC Filings" in the "Investors" section of the EQM website. Information regarding the opportunities available to EQM and its operations may be found in the Partnership's most recent analyst presentation, posted under "EQM Presentations/Events" of the "Investors" section of EQM's website.

## TRANSPARENCY AND CONTINUOUS IMPROVEMENT

Maintaining open and honest communications with its stakeholders is essential for companies like EQT to meet the demands of the rapidly changing energy landscape.

With a Company history dating back more than 125 years to the early days of using natural gas as an energy source, EQT is truly an industry insider with a keen understanding of how its business operations affect society, the economy, and the environment. The Company also understands how changes in stakeholders' awareness and perceptions of the industry have advanced sustainability expectations.

Pursuing continuous improvement in every aspect of the business insures that the Company is always looking for better ways to do things. It also helps EQT provide ongoing contributions to the development of innovative technologies, making its business activities safer and more efficient while maintaining a high degree of social and environmental responsibility. For this reason, EQT does not establish specific targets for sustainability performance — instead the Company evaluates issues as part of its overall performance management process.

Improving the way it makes stakeholders aware of these improvements drives EQT's commitment to greater transparency about its policies, its performance, and its ongoing efforts to integrate sustainability into everything the Company does. This, in turn, helps those stakeholders reach informed decisions, as opposed to assumptions, about the efficacy of those actions. EQT works hard to maintain its reputation as a Company that values safety, integrity, accountability, and transparency; and it knows that these intrinsic ideals are what matter most to stakeholders.

Integrating sustainability into every activity of the Company includes giving each employee a personal performance objective tied to corporate social responsibility. Every individual is empowered to monitor his or her own activities and follow established procedures to continuously evaluate operations, identify improvement opportunities, ensure compliance, and build trust.

## WHERE ENERGY MEETS INNOVATION

Creativity, and the ability to execute new, viable, and valuable approaches to a business challenge or opportunity, drives EQT's success and longevity in the natural gas industry. Using innovative technologies, processes, and practices has helped the Company become more efficient and economically successful, in turn, helping maximize value to its stakeholders.

EQT believes its commitment to finding new and better ways to do things enhances all facets of its sustainability performance, and in 2014, the Company began an initiative to start formalizing its innovation aspirations within each of its two business segments.

### PRODUCTION SEGMENT

In early 2014, the Production business segment began the process by taking an intense look at the state of innovation across a variety of functional disciplines — identifying the enablers of and barriers to innovation, and ultimately designing an operational roadmap that would cultivate innovation and help the business segment achieve sustainable long-term growth and success.

The key components of this new organizational design were Governance & Structure, Innovation Process, and Portfolio Management.

*“What got us here isn't our future. We won't throw out what got us here, but it alone won't take us where we need to go.”*

— Steven T. Schlotterbeck  
Executive Vice President and President,  
Exploration and Production

### Developing Governance and Structure

The Production business segment created the new position of Senior Vice President, Innovation to serve as a focal point for driving the necessary change management processes. This senior-level position oversees the management processes for developing the innovation pipeline and overseeing the portfolio of existing innovation initiatives. A new team of specially trained innovation coaches, selected from various disciplines across the Production business segment, act as mentors, advocates, and resources for employees to use as they refine ideas and transform them into innovation opportunities for the Company. A senior-level innovation governance committee oversees the formal evaluation of ideas submitted by employees.

### Defining the Innovation Process

An important part of creating a sustainable approach to innovation is the development of a formal process to capture and evaluate ideas, recognizing that not all ideas would take the same path.

Existing processes can capture and approve ideas that improve institutional knowledge, but to manage the bolder initiatives, the Production segment created a four-stage process to ensure consistency in the assessment and prioritization of projects from idea to launch. The design helps apply rigor when selecting and developing bolder ideas by defining: 1) how to articulate the idea; 2) how to plan and develop solutions; 3) how to test solutions for feasibility; and 4) how to prepare best practices and rollout.

### Managing the Idea Portfolio

To maximize return on investments and guarantee alignment with the Company's growth strategy, a centralized process for prioritizing and managing innovation opportunities is essential. The process created by the Production business segment can apply different lenses to assess these opportunities and assure that it uses time and resources in the appropriate proportions to match the desired innovation portfolio.

### Driving Behavioral Change

Innovation training and change management are essential to establishing new behaviors and enabling employees to actively participate in, and contribute to, innovation efforts across the business segment. Innovation leaders and coaches were the first to receive specialized training, enabling them to support other employees as they joined the innovation initiative.



Subsequent training sessions introducing the innovation tools and processes are ongoing for the Production segment workforce, as well as other EQT employees supporting the development and implementation of initiatives.

#### Next Steps in Production Innovation

The Production segment continues to refine and test its innovation strategies and processes while encouraging greater cross-functional integration in the creation and development of new ideas.

#### MIDSTREAM SEGMENT

The concept of innovation is not new to the Midstream business segment; in fact, it has played a significant role in the segment's business success. When the Midstream segment launched its innovation initiatives for 2014, it took a slightly different approach from that of the Production segment. For Midstream, the goal was to infuse a culture of innovation into all aspects of its daily operations. By pursuing continuous improvement through innovation, the segment can ultimately achieve its current and planned strategic growth and expansion initiatives.

*“We have some tremendous people who have done a lot of great things. We want to continue to leverage their ideas and innovative drive to take us to the next level.”*

— Randall L. Crawford  
Senior Vice President and President,  
Midstream & Commercial



#### Defining the current state of Innovation

During 2014, the Midstream segment assessed the current state of its innovative culture by conducting numerous surveys of its leaders and employees, and then documenting the broad range of themes and topics that fueled creativity. Subsequent leadership workshops helped refine the impact of those issues, and their potential for guiding future internal and external opportunities.

Although the Midstream segment did not have a formal innovation portfolio, the workshops and interviews revealed that there were a significant number of projects under way or envisioned for the next few years. Encouraged by this discovery, the development of a disciplined method for defining and creating the right innovation portfolio for Midstream became a priority.

#### Setting the drivers for growth and success

In an increasingly competitive market, becoming fast and nimble, managing risk, and effectively executing new construction projects are all fundamental to having an innovative culture that achieves success for the Midstream business segment. Determining what to innovate, creating a pipeline of new ideas, and developing a process to transform those ideas into business value, facilitates creation of an innovation portfolio that reflects the level of risk appropriate for the growth objectives of the business segment.

Using the findings from the workshops and interviews, the Midstream segment identified several critical elements to define its formal innovation process:

- Types of innovations to pursue
- Selection criteria and scoring
- Structured evaluation process
- Roles and responsibilities to manage the process



While some of the previously identified innovation ideas that resulted in improvements to existing structures, processes, and products of the business continued on the implementation path, others helped test the newly defined innovation processes; some continued on to the evaluation state, and others were set aside.

#### **Next steps in Midstream Innovation**

The Midstream segment joins its counterparts in Production in refining and testing their respective innovation strategies. Innovative ideas can come from anywhere, and anyone. During 2015, the segment is expanding its communication and training efforts for all Midstream employees so they can effectively understand and feel empowered to participate in the innovation process. That includes developing innovation facilitators; establishing and documenting metrics; and creating an information portal that allows employees to see what ideas are already in the pipeline, and submit new approaches to achieving Midstream's business objectives.

#### **INNOVATION – 2015 AND BEYOND**

Finding innovative ways to operate the business enhances EQT's sustainability efforts. The Company's ability to adapt new technologies and processes better prepares EQT to weather economic downturns and maintain consistent, long-term growth for the Company while maintaining safe operations in all aspects of its work. Creating and fostering a strong culture of innovation also enables EQT to take advantage of its numerous growth opportunities and address the challenges that lie ahead for the natural gas industry.

With that in mind, the Company announced a new Innovation leadership competency in 2015. As part of their formal performance evaluation, all EQT employees will receive an assessment of their participation in the creation and execution of new, viable, and valuable approaches to a business challenge or opportunity.



### WORKPLACE SAFETY

Occupational health and safety is more than a material aspect to EQT; it is a core value of the Company. EQT conducts its business in accordance with applicable health and safety requirements established for companies operating within the United States, and EQT strives for continuous improvement. There is nothing more important than making sure every worker returns home safely at the end of each day. EQT's business leadership, supported by its health and safety program which is managed by a team reporting directly to the Deputy General Counsel, Environmental, Safety, and Public Policy, is responsible for integrating proper safety and health practices into all of the Company's operations.

Safety and health professionals perform hazard identification of EQT's work activities and engage with management and workers to implement safe work practices, controls, and training to minimize risk. All EQT workers, regardless of title or work responsibilities, have stop-work authority in the face of unsafe working conditions; EQT will not compromise safety to gain a business advantage. To ensure ongoing health and safety compliance, EQT uses a combination of internal and third-party safety inspections and audits. EQT's annual health and safety performance objectives are established individually within each of the business segments.

During November 2014, EQT conducted an all-employee safety survey administered through the U.S. National Safety Council (NSC) to obtain a better understanding of what EQT is doing well and where the Company may have opportunities to improve its safety culture. EQT employees' rating of the Company's safety culture, and of its commitment to safety, scored in the top 10% of the 820 companies within the NSC database. Results were shared with employees, and cross-functional teams were formed in 2015 to address improvement opportunities.

Safety training and performance monitoring are essential elements of EQT's workplace safety program. Employees receive ongoing training, and are encouraged to share these learned safety behaviors with family and friends. The frequency, type, and delivery method of safety training varies, based on the work performed and the types of issues faced every day. EQT has no unionized employees and therefore, has no formal labor agreements that may define specific health and safety training topics.

EQT also does not have formal, joint management-worker safety committees; however, within the Midstream business segment a similar worker-management process was established. The Field Safety Technician program helps employees take greater ownership of their personal safety, providing leadership expertise to others, and enabling employees to identify and prevent situations that could cause harm to themselves or those around them. For example, Field Safety Technician employees complete a 10-hour training certification program by the U.S. Occupational Safety and Health Administration (OSHA), along with specialized safety training. This training helps to identify additional ways to minimize safety risk, build employee safety knowledge, and assist with compliance verification activities.

## SAFETY TRAINING – 2014

Month	Topics
January	Slip/Trip/Fall Prevention; Cold Stress; Safe Driving; Carbon Monoxide Awareness; Incident Reporting/Investigation; Records Access
February	Safety Value Drivers; Lifting (Ergonomics); Hand Tool Safety – Wrenching; Pinch Point Hazards; Driving Safety
March	Fall Protection; Weed-Eating/Chainsaw Safety; Tailgate Safety Meetings; Lone Worker Safety; Driving Safety
April	Blood-borne Pathogens; Hazard Communication; Lead Paint Awareness; Asbestos Awareness; Driving Safety
May	Heat-Related Illness Prevention; Outdoor/Wildlife Safety (including Bear safety); Confined Space Awareness; Driving Safety
June	Emergency Action/Site Safety Plans; Excavation Safety; Mobile Equipment Awareness; Dogs; Safe Driving
July	Electrical Safety Procedures; Personal Protection Equipment; Ladder Safety; Safe Driving; Coal Company Procedures
August	Lockout-Tagout; Hearing Conservation; Safe Driving
September	Natural Gas Hazards; Fire Safety (including potential ignition sources); Hot Work; Safe Driving
October	Hydrogen Sulfide Awareness; Scaffold Safety Awareness; PCBs, Driving Safety (Deer/Animals)

All employees have a safety-related performance metric that directly affects their annual compensation. For employees in the Production and Midstream business segments this includes a “Zero Incidents” performance goal, which is a

lagging indicator; however, EQT is increasing emphasis on leading indicators such as leadership initiatives, training, and workplace risk reduction.

EQT closely monitors its key Health and Safety performance, risks, and statistics to ensure that its worksites are safe; its employees have proper training and motivation to work safely; and that opportunities for improvement are identified and evaluated.

## SAFETY PERFORMANCE

Indicators	Performance Rate			
	2011	2012	2013	2014
Lost Time Accident (LTA)	0.47	0.34	0.38	0.13
Days Away, Restricted or Transferred (DART)	0.70	0.78	1.02	0.44
Preventable Vehicle Accident (PVA)	0.86	1.22	1.37	1.45
OSHA Recordable Rate	1.98	2.52	2.04	1.66
<b>Absentee Rate By Region:</b>				
<i>Kentucky</i>	4.7%	3.17%	3.2%	2.57%
<i>Pennsylvania</i>	4.1%	1.91%	1.5%	1.37%
<i>Virginia</i>	2.6%	3.66%	2.9%	1.17%
<i>West Virginia</i>	3.8%	1.62%	1.8%	1.71%
<i>Texas</i>	N/A	N/A	N/A	1.63%
<b>Absentee Rate By Gender:</b>				
<i>Males</i>	4.0%	1.97%	1.7%	1.26%
<i>Females</i>	3.6%	3.01%	2.5%	2.88%
<b>Fatalities:</b>				
<i>EQT Total Workforce</i>	0	1	0	0
<i>Vendor/Contractor Workforce</i>	1	0	2	0

EQT records the nature of each incident, including minor injuries, using the OSHA injury/illness recordkeeping guidelines. OSHA does not require, nor does EQT track region or gender details. The most frequent injury type for EQT employees relates to working outdoors, such as insect bites and poisonous plant exposure, as well as slip/trip/fall incidents. The Company does not use independent contractors or supervised workers as defined by GRI, so it does not, itself, record and track safety statistics for these types of individuals. However, as part of EQT’s contractor safety pre-qualification process, the Company does review this information for vendors at its job sites.



### CONTRACTOR SAFETY

The natural gas industry requires a wide variety of highly specialized vendors to perform its field operations, and these contractors often work simultaneously with EQT employees and other vendors. To maintain EQT's high level of diligence regarding workplace safety, the Company requires every organization performing work at one of its facilities to maintain the same high standards that it imposes on itself. EQT also requires all contractors involved in its field activities to be prequalified through ISNetWorld® — a recognized third-party platform for monitoring safety performance — before beginning work on any EQT field worksite. Each contractor, and its subcontractors, must also adhere to all applicable regulatory health and safety requirements, and follow EQT's Safe Work Rules for contractors.

The ISNetworld® qualification process allows EQT to evaluate a potential vendor in a number of key safety areas including:

- Safety Management Systems
- Injury and Illness Statistics
- Fatality History
- Department of Transportation (DOT) Inspection Compliance
- DOT Motor Carrier Safety Rating
- Written Safety Programs and Safety Training
- Experience Modification Rating (EMR)

New and existing suppliers that expect to perform contract services in the areas of drilling, construction, maintenance, and operations must meet EQT's safety requirements to qualify, or continue to qualify, to perform services for the Company. Once they pass the prequalification process, each contractor must also agree to adhere to EQT's Contractor Safety Standard and the Safe Work Rules. The rules and standards apply to all work performed by the employees of the contractor, as well as those of their subcontractors and agents.

### PIPELINE SAFETY

Natural gas is a safe and reliable form of energy. When used properly, natural gas pipelines are the safest way to transport energy; however, as with any type of transportation of potentially hazardous products, a high level of care is required. EQT regularly inspects the right-of-way over its pipelines for potential hazards, including leaks and items that may block access to the pipeline. The company places pipeline markers in areas where underground pipelines are located, especially where the pipes intersect with streets, railroads, bodies of water, and high traffic areas.

Above grade facilities such as valves, compressor stations, and storage fields are an important part of a transmission system; EQT provides security to these facilities by using electronic monitoring, fences, buildings, locks, and periodic surveillance. In accordance with federal regulations, EQT operates an integrity management program for its transmission pipelines that:

- Identifies high-consequence areas along the transmission lines based on population and land or building use
- Creates a risk model that prioritizes the high-consequence areas for integrity management
- Completes specific evaluations, such as corrosion investigations and pressure testing, to assure the integrity of the pipelines

EQT strives to operate its transmission system safely and has programs in place to help those who live or work near its lines stay safe. Each year, the Company mails a pipeline safety brochure to residents and businesses located near its pipelines, providing information on what to do, and not do, in various situations such as suspicious activity or vandalism near a facility, potential pipeline leaks, or excavating on or near a pipeline location. EQT also promotes the national "811 – Call Before You Dig" program that emphasizes the importance of knowing where underground utility lines are located before excavation work begins — helping to keep neighborhoods and communities safe.



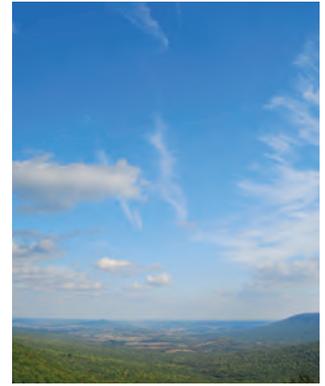
## COMMUNITY SAFETY

Maintaining the safety of its workforce, contractors, and equipment is important, but creating a safe environment for local communities near EQT operations is also a priority. EQT employees routinely meet with local emergency services personnel, public works employees, and other public officials to share vital information about ways to improve the joint response to safety-related incidents in the field. These meetings help expand local awareness of what happens at a jobsite, the type of equipment involved, and most appropriate response for various incident scenarios. The goal is to help local first responders be more comfortable with EQT's operations; establish who to contact in various situations; and understand what they can expect from EQT if an incident occurs.

*Safety is more than a material aspect to EQT; it is a core value of the Company.*

EQT also works closely with local municipalities to address public concerns about increased truck traffic near the Company's job sites. For many of these sites, the only access is via local roads shared by the residents, public transportation, and school buses. In 2013, EQT implemented a program designed to curtail truck traffic along school bus routes. Preliminary construction routes to EQT site locations are carefully considered to take into account locations of schools, recreation areas, and other public points of interest. A route design's primary considerations are based on safety, and as a result, sometime necessitate a longer route. Once construction and operations-related traffic commences, EQT uses third-party monitoring by private security agents with law enforcement backgrounds. These agents have radar-equipped vehicles, and authorization to pull over EQT-related traffic.

Working with local governments and school districts, EQT places signs along active truck routes notifying its drivers, and those of its contractors, that travel is prohibited during posted hours when school buses are picking up/dropping off students. An added community benefit of the program is that it also alerts other drivers that they need to slow down and watch for children when traveling these marked routes. EQT also develops and distributes to employees and contractors a Traffic Control Plan that contains EQT-imposed speed limits, curfews, and route restrictions. EQT actively monitors compliance of these elements and promptly takes the necessary steps to address reported violations by its employees or by those contracted to perform work on the Company's jobsites. EQT requires contractors to implement GPS-based systems on their vehicles to monitor vehicle speed and location; this often provides useful data for contractor accountability.



### SUSTAINABILITY AND TRANSPARENCY

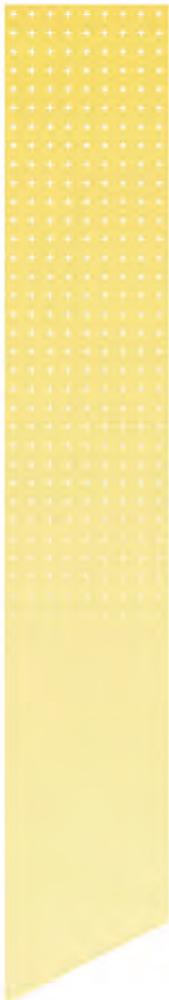
When it comes to being a good corporate citizen, sustainability and transparency work hand in hand at EQT. Many of the Company's employees and families live in or near the communities where they work, so their demands for safe and responsible operations are just as strong as other stakeholder groups interested in protecting local environmental resources. EQT respects its stakeholders' expectations. The Company has built a long-standing reputation as a responsible operator by integrating sustainability into the many phases of its development and operating processes.

EQT's commitment to protecting natural resources is what makes environmental compliance, emissions, effluents and waste, and water issues material aspects to the Company and its stakeholders. These topics are also important because federal, state, and local laws in the United States that govern these aspects could affect EQT's ability to construct or operate natural gas exploration, production, gathering, and transmission facilities. EQT's management approach to these aspects includes actively working to maintain compliance with respect to the environmental laws and regulations of the United States, as well as those of the state and local governments where field activities are located. Failure to comply with these laws and regulations could result in regulatory actions against the Company and financial losses.

EQT's business operations are subject to an internal Environmental, Health, and Safety policy providing principles, guidelines, and expectations for its employees and contractors. The policy states that: i) EQT has a steadfast commitment to the protection of the environment; ii) EQT will conduct its business operations in a sustainable and environmentally responsible manner at all times; and iii) EQT will strive to preserve and protect the land, air, and water where its employees live and do business. The policy also directs EQT's businesses to operate in accordance with all applicable laws and regulations.



Where  
energy  
meets  
innovation.



## ENVIRONMENT, HEALTH AND SAFETY POLICY

### ***EQT Corporation is committed to achieving superior Environment, Health and Safety performance***

Safety is a core value for our organization. EQT will provide a safe and healthful workplace for its employees and contractors and through continuous improvement, we will work to create and maintain a zero-injury culture. We will not compromise safety to gain a business advantage.

EQT also has a steadfast commitment to the protection of our environment. EQT will conduct its business operations in a sustainable and environmentally responsible manner at all times – striving to preserve and protect the land, air and water where we live and do business.

The following principles will guide us toward superior Environmental, Health and Safety (EHS) performance. EQT and its employees will:

- Provide and foster leadership to ensure all employees and contractors understand their responsibilities and that all employees are provided with the training and support necessary to integrate EHS principles into their work
- Manage our business to prevent incidents that could result in harm to people, property or the environment
- Seek public input regarding our operations in order to facilitate continuous improvement in our EHS performance
- Integrate EHS considerations into planning, design, construction and operation of all our processes, programs, and facilities
- Optimize conservation of natural resources
- Commit the resources necessary for successful implementation of this EHS Policy
- Provide an effective EHS management system that drives continuous review and improvement, as well as employee adherence to EQT processes and requirements
- Foster business relationships with companies committed to superior EHS performance
- Operate in accordance with all applicable laws and regulations; and contribute to the development of responsible EHS legislation, regulation, and industry best practices.

  
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**David L. Porges**  
**Chairman, President and Chief Executive Officer**

August 2013

Numerous internal activities ensure proper management of the material aspects related to environmental stewardship, including:

- The Environmental, Health, and Safety (EH&S) department and business leaders periodically review this aspect with EQT’s Board of Directors, and review it on a quarterly basis with the Board’s Public Policy and Corporate Responsibility Committee
- A team of senior executives conducts quarterly reviews of environmental and safety performance of the business units
- All EQT employees are subject to annual accountabilities tied to compensation that include social responsibility, safety, and environmental performance
- EQT maintains training programs for all operations employees on these material aspects
- Business unit leaders conduct periodic safety and environmental performance reviews with all operations personnel
- In 2015, EQT is establishing a multi-disciplinary process to better anticipate social responsibility, safety, and environmental aspects of its operations; and to further consider the stakeholders in its operations planning

The Company monitors the effectiveness of its approach to mitigate environmental issues by evaluating existing and new regulations, routinely inspecting its facilities, and conducting annual third party auditing of its facilities to ensure material compliance with these issues. When the results of the evaluations suggest the need for adjustment to its management approach, EQT takes appropriate steps to address the issues.

EQT goes to great lengths to protect water, air, and land throughout its operating regions. The Company employs spill prevention planning; it measures and assesses its emissions and continually looks for new technologies and processes for reducing those emissions; and it works with property owners to restore the land to its original condition after operations are complete.

A few of EQT’s precautionary measures include:

- Mitigating potential methane emissions that include, for example, operating “low bleed” and “no bleed” pneumatic valves; utilizing reduced emissions completions; instituting rigorous directed inspection and maintenance procedures; and reducing compressor “blowdown” emissions by often recycling gas to gathering and transmission pipes
- Reducing NOx and particulate matter emissions by substituting natural gas for diesel in drilling rig and fracturing engines, and working with engine suppliers to upgrade emissions controls in EQT’s contractor engine fleets
- Converting from diesel to natural gas fuel in EQT’s vehicle fleet

- Monitoring ground water and surface water that is close to EQT’s drilling sites to ensure no effects have occurred
- Implementing area-of-review procedures when siting well pads, to account for both surface and subsurface risks at each site

## RESPONSIBLE DEVELOPMENT IN APPALACHIA

EQT adopted the Marcellus Operations Guiding Principles several years ago to bring structure and established protocols for integrating sustainability and continuous operational excellence in its drilling operations in the Marcellus Shale.

### Marcellus Operations Guiding Principles

Flammable Atmospheres	Natural gas encountered during the drilling process is vented away from the work area. During completions and flowback, flammable zones are established in areas where natural gas will be vented. Natural gas liquids produced during flowback are stored in flammable zones during flowback and removed after flowback.
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High Pressure Systems	All equipment and components used in pressurized systems are appropriately rated and capable of operating under the maximum rated pressure. High pressure pumps and equipment are only used when necessary and appropriate for the task, and are routinely tested for integrity.
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Pit Design & Operation	Prior to construction, potential pit locations are evaluated to establish suitability. Pits are engineered and designed to be stable and impervious, and are inspected to establish that they are constructed as designed. Inspections are conducted regularly to evaluate pit integrity.
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Well Control	EQT maintains a minimum of two barriers at all times between the open producing formation and the atmosphere. A responsible person with a well-control certification from an accredited training program is on-site during drilling and completions. Blowout preventers are tested prior to being placed into service, and remote actuators are maintained away from the rig and not tied to the rig hydraulic system.
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Well Design & Construction	Wells are designed to protect fresh groundwater and prevent methane migration. Surface casing is installed and the void outside of the casing is filled with cement. If cement circulation to the surface is not possible for the surface casing, EQT installs baskets at appropriate depths and then grouts the annulus to the surface to create a barrier between subsurface zones.
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## CENTER FOR SUSTAINABLE SHALE DEVELOPMENT (CSSD)

EQT is a founding member of the Center for Sustainable Shale Development (CSSD) and is an active participant, with the Company's CEO serving on the CSSD Board of Directors and staff participating in development of the CSSD performance standards.

The CSSD's mission is to support continuous improvement and innovative practices through performance standards and third-party certification. Focused on shale development in the Appalachian Basin, the CSSD provides a forum for a diverse group of stakeholders to share expertise with the common objective of developing solutions and serving as a center of excellence for shale gas development.

Funded by philanthropic foundations and participating energy companies, the CSSD promotes collaborative efforts by the industry and its stakeholders as called for by the Shale Gas Production Subcommittee of the U.S. Secretary of Energy's Advisory Board. To learn more about CSSD, visit [sustainable shale.org](http://sustainable shale.org).

## SAFEGUARDING NATURAL RESOURCES – WATER

Fresh water is a vital component of EQT's natural gas drilling program, and it is equally as important to the Company's stakeholders. EQT maintains a strong commitment to using this critical resource responsibly, and regularly measures and monitors its use to ensure that the Company's activity has no significant effect on nearby water sources.

### WATER WITHDRAWALS

EQT relies on three primary sources of fresh water for its natural gas production operations: surface water, municipal water, and groundwater. In all cases, the Company strictly adheres to applicable state-regulated water withdrawal procedures, including pass-by flow regulations, to determine water withdrawal thresholds necessary to maintain ecosystem health and human well-being. EQT also uses available online water withdrawal tools, monitors existing stream gauges set up by the U.S. Geological Survey, and sets up and monitors its own stream gauges to ensure that the Company is fully complying with established regulations.

The largest source of freshwater that EQT withdraws each year comes from surface water; however, the amount is highly dependent upon location, timing, season of the year, and number of completions operations taking place. EQT withdrew significantly more surface water in 2014 than in 2013, primarily from a combination of completing more wells (163 versus 139, respectively) and using more water for each well

(204,771 bbls/well versus 171,228 bbls/well, respectively) due to longer laterals. Surface withdrawals were made in PA, OH, and WV (EQT did not withdraw any surface water for its TX, KY, or VA operations).

The second largest source of freshwater used by EQT in 2014 came from municipal water or other water utilities. EQT increased the amount withdrawn by 17% in 2014 compared to 2013. Again, this is largely due to increased operations in southwest PA (specifically Greene, Washington, and Allegheny Counties) where municipal water supplies are accessible and often represent the primary low-cost water source. During 2014, EQT made municipal water withdrawals in PA, OH, and WV.

Although it remains a relatively small percentage of overall withdrawals, the amount of groundwater withdrawn in 2014 increased compared to previous years. This is primarily because EQT established operations in West Texas during 2014, an area where groundwater supplies essentially all of the freshwater required for well completion. The entire volume of groundwater reported for 2014 came from 11 separate groundwater supply wells (one in PA, two in WV, and eight in TX).

Wastewater represented a new, but very small percentage of overall withdrawals in 2014. This is primarily due to initiatives to accept impaired water from recycling plants and directly from other natural gas producers that were willing to pay for the costs associated with transporting the water. Wastewater withdrawals took place in PA, OH, and WV.

During 2014, EQT did not use rainwater as a primary source; however, the Company maintains a number of water storage facilities and pits in its operations and those facilities and pits passively collect rainwater, which is subsequently used in Company operations. EQT has not historically attempted to quantify this collected rainwater due to the inherent significant uncertainties and assumptions that would render the quantification inexact.

The surface water volumes reported by EQT come from an internal Bill of Lading (BOL) tracking system that documents the type of withdrawal, the source, the location, and the amount. When withdrawing water from a source, the transfer company (when pumping water directly to a pit) or the trucking company (when hauling the water from the source) must report the type of withdrawal (surface water, municipal water, or wastewater) on the BOLs they provide to EQT.

EQT internally tracks the amount of groundwater withdrawn during the year from each of the groundwater supply wells used by the Company. In general, water transfer contractors operating the groundwater wells track the volumes pumped using totalizing flow meters and report these totals to EQT on a daily basis. A portion of this information resides in the BOL tracking system, and in these cases, the trucking companies report withdrawals on BOLs when hauling the water directly from the source.



Quarterly water reporting to regulatory agencies in PA, OH, WV, and TX demonstrates that there were no instances where the amount of freshwater withdrawn from any source significantly affected a water source, or exceeded any average daily or maximum daily withdrawal limits during 2014.

**SUSTAINABLE WATER USAGE**

As part of its continuous improvement efforts, EQT routinely collects nearly 90% of the water that flows back from the completion of wells. That water is then reused to produce new wells at the same well pad or at other sites.

The Company works to continually increase the amount of wastewater it recycles from flowback water, filtered drilling water, and produced water, however, freshwater withdrawals have also increased, resulting in a recycled-to-withdrawn rate that is slightly lower than 2013.

In 2014, EQT reused 6.6 million barrels of flowback water, drill pit liquids, and production fluids from its Marcellus and Utica drilling operations. When water is no longer suitable for recycling or production purposes, EQT sends that water to state and federally permitted underground injection facilities for safe disposal.

**Total Freshwater Withdrawals by Source**

	Volume			
	2011	2012	2013	2014
Surface water (wetlands, rivers, lakes, and oceans)	1,495,418 m <sup>3</sup>	1,387,075 m <sup>3</sup>	2,976,947 m <sup>3</sup>	4,246,554 m <sup>3</sup>
Groundwater	7,972 m <sup>3</sup>	22,082 m <sup>3</sup>	41,557 m <sup>3</sup>	88,208 m <sup>3</sup>
Rainwater	0 m <sup>3</sup>	0 m <sup>3</sup>	0 m <sup>3</sup>	0 m <sup>3</sup>
Waste water from another organization	0 m <sup>3</sup>	0 m <sup>3</sup>	0 m <sup>3</sup>	14,031 m <sup>3</sup>
Municipal water or other water utilities	506,953 m <sup>3</sup>	882,077 m <sup>3</sup>	659,248 m <sup>3</sup>	769,841 m <sup>3</sup>
Total Water Withdrawn	2,010,343 m <sup>3</sup>	2,291,234 m <sup>3</sup>	3,677,752 m <sup>3</sup>	5,118,634 m <sup>3</sup>

**Total Water Recycled**

Total Water Recycled (includes flowback, filtered drilling water, produced water)	Not available	740,947 m <sup>3</sup>	823,778 m <sup>3</sup>	1,055,998 m <sup>3</sup>
Total Water Recycled as a percentage of Total Water Withdrawn	Not available	32%	22%	21%

**Normalized Freshwater Withdrawal**

Freshwater by million barrel oil equivalent (all from natural gas production)	0.050 m <sup>3</sup> /boe	0.040 m <sup>3</sup> /boe	0.050 m <sup>3</sup> /boe	0.050 m <sup>3</sup> /boe
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- EQT freshwater withdrawals did not significantly affect water sources of any type, including those in designated protected areas or those having biodiversity value
- EQT believes that no water sources having value/importance to local communities were significantly affected by EQT fresh water withdrawals, nor were any people or their livelihoods affected due to dependence on water resources

## Volume and Disposition of Produced Water – 2014

Location	Well Type	Volume	Disposition Method
West Virginia	Conventional	61,460 bbls	Injection Well: 98% Reused: 2%
	Marcellus	1,898,716 bbls	Injection Well: 49% Reused: 51%
Kentucky	Conventional	36,261 bbls	Injection Well: 100%
Virginia	Conventional	337,684 bbls	Injection Well: 100%
Pennsylvania	Conventional	217 bbls	Injection Well: 100%
	Marcellus	3,627,147 bbls	Injection Well: 13% Reused: 87%
Ohio	Marcellus	68,402 bbls	Injection Well: 99% Reused: 1%

- All produced water is either injected or reused; EQT does not discharge any produced water to surface water, however EQT does flow water back to permitted, lined, aboveground impoundments
- Because there is no discharge, no report standards for produced water quality are required or reported, nor, accordingly, does EQT measure the volume of hydrocarbon discharge in produced water

### KEEPING DRINKING WATER SAFE

The natural gas production processes begin at the ground surface and extend underground, perhaps miles below the surface. Some stakeholders are naturally curious about how companies like EQT minimize the potential for impact of gas extraction processes on drinking water. Most fresh potable groundwater exists within the upper few hundred feet of the ground surface. Below these depths, groundwater becomes increasingly brackish (salty) and possibly un-potable. The Company takes great care to protect freshwater resources, and has developed procedures to make sure the water near its operations is not affected or altered, and remains safe to drink and use.

The process begins by defining a water quality baseline. This involves a field survey, sampling, and analysis of nearby groundwater sources before starting any operational activities, including drilling. EQT documents and reviews any pre-existing conditions to ensure that planning activities for the site consider the adjustments necessary to protect groundwater. In some cases, EQT may re-sample to document the water source quality after completion of the well.

All of EQT's drilling practices include the use of multiple layers to isolate freshwater sources from the drilling process, and from deeper brackish water zones. This results in the use of at least three layers of steel and cement, known as triple casing, that ensures that nothing used to drill the well or stimulate the flow of natural gas can migrate into the freshwater aquifers.

### WHAT IS HYDRAULIC FRACTURING?

Freshwater aquifers, the source for drinking water in many rural locations, are usually within a few hundred feet of the earth's surface. Hydraulic fracturing, on the other hand, occurs several thousand feet and often more than a mile below ground, which is far beneath any freshwater zone. Therefore, the potential risks posed to groundwater resources tend to lie in surface operations rather than the hydraulic fracturing process itself.

EQT conducts hydraulic fracturing in accordance with state regulations using water recycled from previously fractured wells or obtained from freshwater sources. This water is then mixed with sand and a small percentage of chemical additives.

The fracturing fluid is injected under controlled high pressure into triple-cased wells that are designed and tested to prevent any effect on groundwater. The pressure causes the targeted rock formation to break open and expand, and the sand particles hold these fractures open, allowing natural gas to flow up the pipe to the wellhead.

EQT is committed to operational transparency. In fact, the Company was one of the first natural gas producers in Appalachia to disclose voluntarily the actual content of the hydraulic fracturing fluid used at each of its well sites. To support that commitment, EQT became a charter participant on FracFocus, an independent educational website created by the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission.

This website ([fracfocus.org](http://fracfocus.org)) provides information to help stakeholders understand the ratio of water and additives being used for natural gas development in their communities.

## EQT goes to great lengths to protect water, air, and land throughout its operating regions.

The Company's disclosures on FracFocus identify the general mixture amounts of the fluid, and explain the specific use of each chemical additive. The PA Department of Environmental Protection has stated its intention to establish its own reporting system and cease use of FracFocus in the future. In the meantime, however, EQT will continue to use FracFocus for its reporting.

The hydraulic fracturing fluids EQT currently uses in its Marcellus operations do not contain additives with diesel carriers, and the Company has significantly reduced the amount of other chemicals used during hydraulic fracturing:

- Traditional biocides have been replaced with a variety of environmentally friendly, non-chemical alternatives
- Acid utilization has been reduced by approximately 50%
- Improved friction-reducing products have allowed the quantity of this chemical used to be significantly reduced

### MANAGING AND PREVENTING SPILLS

Spill prevention is another top priority at EQT. The Company maintains spill plans, or Spill Prevention, Control, and Countermeasure (SPCC) plans, for worksites that store fluids, in order to minimize the chance for a release and to dictate actions required should a spill occur. The plans also guide the implementation of training programs, inspection protocols, and secondary containment monitoring and repair programs for all of the Company's natural gas wells and compressor stations. The Company conducts monthly inspections of its facilities and tracks the data electronically to enable repairs. The typical emergency response and spill preparedness program includes the following steps:

- Determine the source and type of spill and take corrective action
- Evacuate any employees requiring medical attention
- Isolate the area
- Stop the spill as soon as possible using available methods
- Contain the spill with the use of available resources, including Spill Kits (complete with absorbent booms, pads, pillows, and personal protective equipment), containment ditches, and diking. EQT does not use chemical dispersants
- Notify the immediate supervisor or Area Manager of all spills
- Notify the Environmental Coordinator of all spills and complete an environmental incident investigation form
- Perform or observe proper clean-up measures as directed by the Environmental Coordinator

If a spill does occur, EQT uses appropriate and effective cleanup measures that quickly achieve remediation of the spill, including any affected soil. The methods used are effective and release no dispersants to the environment. Coupled with the removal and disposal of the cleanup materials according to prevailing federal, state, and/or local regulatory requirements in effect at the time of the spill, these cleanup measures result in minimal environmental or community impacts.

At EQT, a significant spill is considered as one requiring notification to state or federal officials. In 2014, EQT experienced 46 reportable spills, with a total volume of a 356.89 barrels (bbls). Of these spills, four contained petroleum totaling 139 bbls, and 14 were non-petroleum totaling 114.07 bbls; none of the petroleum or non-petroleum spills originated from third-party contractors.

There were no requirements to disclose any of these spills in the Company's 2014 Form 10-K or any other required financial statements. For all of the reported spills, EQT's utilization of appropriate and effective cleanup measures resulted in the absorption and/or removal of the spill, so there were minimal impacts to the environment and local community.

EQT's standard procedure is to follow every incident with an evaluation of the cause of the spill so it can identify and implement corrective action. To prevent recurrences, the Company shares these new techniques and protocols with its field employees and contractors, and integrates them into its design standards and operations.

## SAFEGUARDING NATURAL RESOURCES – AIR

### MANAGING GREENHOUSE GAS EMISSIONS

EQT monitors and reports on specific types of air emissions that are relevant to its business operations and/or required by state or federal regulations, but there are no applicable regulations limiting emissions of greenhouse gases on a country or regional basis, nor are there any industry specific regulations. Because EQT pursues continuous improvement in all of its business activities, the Company does not establish specific goals or targets for its management of greenhouse gases.

EQT's gross direct (Scope 1) greenhouse gas emissions for 2014 were 884,976 metric tons of CO<sub>2</sub> equivalent emissions. This calculation includes CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O; there were no biogenic CO<sub>2</sub> emissions. The Company does not maintain records of equity basis emissions, nor does it track indirect greenhouse gas emissions from outside the Company (Scope 2 or Scope 3).

The Company's greenhouse gas (GHG) management program formally began in 2008 to help EQT improve air quality by reducing greenhouse gas emissions associated with its field operations. EQT does not produce, import, or export ozone depleting substances, so the Company focuses its efforts on reducing EPA reportable GHG emissions within its two primary business segments. It seeks continuous improvement in identified areas that provide the most opportunities for GHG reductions; however, it does not track specific reductions from each effort.

### Significant Air Emissions – 2014

	Weight
Nitrogen oxides (NOx)	6,780 tons
Sulfur oxides (SOx)	8.7 tons
Volatile organic compounds (VOC)	771 tons
Hazardous air pollutants (HAP)	244.1 tons
Particulate matter (PM)	121 tons
Other standard categories of air emissions identified in regulations	Formaldehyde = 24 tons Carbon Monoxide (CO) = 2,612 tons

Emissions related to activities of special interest to stakeholders (e.g., oil sands, shale gas) specific to EQT's shale gas production operations in PA Oil & Gas Production Inventory  
 NOx = 2,101 tons  
 SOx = 1.6 tons  
 VOC = 132 tons  
 HAPs = 3.8 tons  
 PM-10 = 71 tons  
 PM-2.5 = 69 tons  
 CO = 625 tons

- Emissions are based on Stack Test Data, Manufacturer's Data, and/or USEPA published emission factors
- All data reflects required air emissions inventory submittals and include all Production and Midstream operations. The PA shale gas production emissions numbers represented separately are not included in the total air emission quantity numbers
- EQT gathers operational data and calculates emissions annually to comply with the emissions inventory requirements of each state
- Formaldehyde, although a HAP, is reported separately and is not included in the total HAP quantity
- EQT does not measure or report the following: air emissions for persistent organic pollutants, air emissions for stack and fugitive emissions; there are no plans to measure or report this data in the future as there is no business or regulatory reason to do so
- No offsets are used in these calculations

### GHG Emissions Intensity by Business Sector – 2014

Business Segment	Air Emission Type	Weight
EQT Production	Nitrogen oxides (NOx)	5.36 tons/Bcfe
	Sulfur oxides (SOx)	0.01 ton/Bcfe
	Volatile organic compounds (VOC)	0.60 ton/Bcfe
	Particulate matter (PM)	0.39 tons/Bcfe
	Emissions intensity	702.58 metric tons CO <sub>2</sub> e/Bcfe
EQT Midstream	Nitrogen oxides (NOx)	3.39 tons/Tbtu
	Sulfur oxides (SOx)	0.00 ton/Tbtu
	Volatile organic compounds (VOC)	0.39 ton/Tbtu
	Particulate matter (PM)	0.04 tons/Tbtu
	Emissions intensity	441.68 metric tons CO <sub>2</sub> e/Bcfe

- Emissions are based on Stack Test Data, Manufacturer's Data, and/or USEPA published emission factors
- The ratio denominator for calculating the Production emissions intensity is Total Production Sales Volume
- The ratio denominator for calculating the Midstream emissions intensity is Total system throughput (transmission volume + gathering volume)

### Ongoing EQT Greenhouse Gas Reduction Initiatives

Segment	GHG Reduction Initiative
Production	Continue conversion of drill rigs from diesel to natural gas
	Reduce duration of completions in Lower Huron Shale
	Increase number of flareless completions in Marcellus Shale
	Directed maintenance & best management practices (BMPs)
	Tubing string installation
Midstream	Rich burn engine retrofits
	Flash tank separators in glycol dehydrators
	Instrument air
	Micro turbine generators
	Automated control systems



## MANAGING WASTE AND PROTECTING BIODIVERSITY

EQT employs environmentally responsible, cost-effective methods to dispose of its produced waste. The Company reuses (or sells as a usable product) materials such as flowback fluid and condensate, wherever possible. Other materials are disposed of at permitted injection wells, landfill facilities, and treatment facilities.

### PERMITTED WATER DISCHARGES

EQT limits the ecological impact of its operations by managing the treatment and discharge of the non-recyclable water produced by its drilling operations. Nearly all of the 2014 discharges took place in the Company’s KY and VA operations.

In Kentucky, EQT discharged 349.04 m<sup>3</sup>/year of used water that was treated to meet discharge standards of the Kentucky Pollutant Discharge Elimination System. The process pretreats the water with an oil skimmer then runs it through an activated carbon filtration system. A third party contractor samples the pretreated water monthly and tests it in EPA certified labs using appropriate EPA methodology as prescribed by permit conditions. EQT reports the test results monthly via netDMR, and logs volumes discharged on the day of sampling. EQT did not reuse any of this water. NetDMR is a web-based application that allows National Pollutant Discharge Elimination System (NPDES) Permittee Users to enter and electronically submit Discharge Monitoring Report (DMR) data to the EPA.

In Virginia, EQT discharged 994.8 m<sup>3</sup>/year of used water at a permitted sanitary sewer system at an EQT warehouse/office location; the Company did not reuse any of the water. Here, the water goes through a filtration system and then is disinfected using UV light prior to discharge into a local creek. A third party contractor maintains the treatment system and services it monthly. Filters are monitored using differential pressure to indicate change out requirements, and the UV



light system has built-in redundancy to ensure disinfection of all discharge water. Components prone to wear are replaced according to a prescribed maintenance schedule or sooner, as needed. During 2014, EQT updated the preventive maintenance program to include evaluation of the collection system, and subsequent improvements to ensure treatment of all water prior to leaving the site.

### Disposals from Marcellus Wells – 2014

	Pennsylvania	West Virginia
Non-Aqueous Drilling Fluid	63,489 tons	28,859 tons
Aqueous Drilling Fluid	120,439 tons	51,696 tons

### DRILLING WASTE

EQT’s drilling operations also produce solid waste, including drill mud and cuttings. This material is processed using solids control equipment that efficiently separates the drilling fluids from the solids. Drying agents then remove any residual moisture, and the dried cuttings are containerized and trucked to landfills that are pre-approved to accept these solids in their permitted disposal cells. EQT continues to improve the efficiency of its solids management program by using higher efficiency systems that create better separation of drilling fluid and drill cuttings, reducing the overall weight of the disposed product. Using more effective drying agents decreases the amount of these agents needed, which also decreases the weight of the disposed product.

### MITIGATING THE EFFECTS OF WASTE DISPOSAL

When choosing disposal methods, EQT seeks to achieve a balance between the available disposal options and the potential environmental impacts of each option, coordinating the most efficient, economically responsible and cost-effective disposal methods possible. When practical, the priority is to reuse or recycle, but landfills, deep well injection, and

## Waste Disposal Methods – 2014

Disposal Method	Type of Waste	Volume
Reuse	Flowback, drill pit, and production liquids from Marcellus/Utica operations	6,642,028 barrels
	Production liquid from conventional operations	1,548 barrels
Recycling	Oil - compressor oil, engine oil, etc.	3,041.95 tons
Landfill	General Plant Trash, Off-Spec Products, Contaminated Soil, Brine, Drill Fluids, Drill Cuttings, and Fracturing Fluids	200,864 tons
	<i>EQT currently tracks waste for landfill, routine operations, and unusual activities on a project-by-project basis. At present, EQT submits annual 26r Chemical Analysis of Residual Waste Reports to the PA DEP to satisfy regulatory waste reporting requirements. The landfill operator solidifies the fluids it receives before placing it in the landfill.</i>	
Deep well injection	Production fluid, drill pit liquid and flowback from Marcellus/Utica operations	1,408,766 bbls
	Production fluid from conventional operations	434,073 bbls
Treatment Facilities	Hazardous waste liquids (from midstream compressor stations and fluids associated with drilling and completions)	185.26 tons
Composting	N/A	Not applicable to EQT operations
Recovery	N/A	Not applicable to EQT operations
Incineration	N/A	Not applicable to EQT operations
On-site storage	N/A	Not applicable to EQT operations

- EQT has no oil sands/tar sands mining operations; therefore, it has no need to dispose of wastes typically generated by these operations
- EQT did not transport any hazardous wastes as defined by the Basel Convention Annex I, II, III, and VIII; nor did it transport such wastes internationally

approved treatment facilities are other options appropriate for the Company's operations. EQT complies with regulatory agencies de minimis thresholds for waste reporting as applicable. EQT believes that its permitted discharges have not significantly affected any water body.

### KEEPING PROTECTED AREAS SAFE

EQT holds leases that contain wetland areas, Army Corp of Engineers property, national forests, and state forests; however, the Company follows all of the federal, state, and local regulations and guidelines within these areas for its operations in KY, OH, PA, VA, and WV. EQT actively tries to avoid drilling inside protected areas — in 2014, EQT did not drill any wells within any of the sensitive areas listed above — however, it sometimes has operations that are located nearby. Experienced in the use of horizontal drilling technology, the Company is able to drill multiple wells from a single pad, thus minimizing the impact on the environment. In most cases, this technology enables EQT to drill directionally to extract gas from these sensitive areas without affecting the surface.

## Active Acreage Leased or Owned in Protected Areas by Location – 2014

	Wetlands Sq. km	Federal Land and Parks Sq. km
Kentucky	15	1,215
Ohio	3	0
Pennsylvania	7	79
Virginia	7	160
West Virginia	10	123
<b>Total</b>	<b>42</b>	<b>1,577</b>

When it conducts extraction activities within areas of high biodiversity value outside protected areas, EQT follows all federal, state, and local regulations to ensure protection of existing species. As an example, EQT takes precautions to protect the Indiana bat and several species of freshwater mussels found in some streams in the Company's operating area. Within these known areas, EQT conducts studies to identify if these species exist in potential drill sites. If they do, the Company's first goal is avoidance and if that is not possible, EQT works with the appropriate agencies to develop and execute protection plans.



For operating areas in Pennsylvania, EQT utilizes the Pennsylvania Natural Diversity Inventory Environmental Review Tool (PNDI ER Tool). This online database enables EQT to perform a search for potential impacts to threatened, endangered, special concern species and special concern resources in Pennsylvania. The PNDI ER Tool is a function of the Pennsylvania Natural Heritage Program (PNHP), which is a partnership between the Department of Conservation and Natural Resources, the Western Pennsylvania Conservancy, the Pennsylvania Game Commission, and the Pennsylvania Fish and Boat Commission.

If the PNDI ER Tool indicates that a project has the potential to affect a particular species, further agency coordination is required. Agency coordination can result in a habitat survey, avoidance measures, and/or mitigation measures such as those in southwestern PA that EQT has implemented:

- Northern Myotis (*Myotis septentrionalis*)
- Torrey's Rush (*Juncus torreyi*)
- Harbinger-of-Spring (*Erigenia bulbosa*)
- Four-angled spike-rush (*Eleocharis quadrangulata*)

EQT uses similar practices in its KY, OH, VA, and WV operating areas.

## REDUCING THE CARBON FOOTPRINT

EQT recognizes that the choice of direct energy sources can significantly influence the Company's environmental footprint, so energy consumption is another area where EQT works hard to reduce its impact on the environment.

### GREEN COMPLETIONS

During the initial days of a new well's productive life, it also produces associated water, sand, chemicals, and drilling debris, otherwise known as flowback. In the past, producers collected the fluid and solids in a pit and flared or vented the initial flow of gas into the atmosphere to allow the impurities in the flowback to clear before connecting the well to the pipeline system.

Alternatively, green completions techniques now enable EQT to capture the initial gas emitted during the well-completion process instead of releasing it to the atmosphere. Doing so successfully limits the amount of flared and vented gas at the Company's well sites. In 2014, nearly 100% of completed EQT wells utilized "green completions," as defined by the EPA. Discrete site or operational characteristics caused the few instances where the Company did not use green completions.

With a green completion, the pipeline network extends to the well site before well completion begins so it is ready to receive any gas produced immediately. During this process, the flowback mixture is routed through a separator to collect the solid materials, which later go to an approved landfill. The remaining water, containing the chemicals and mineral constituents, is stored for reuse in subsequent fracturing operations. The natural gas, which was traditionally flared or vented, is directed into the pipeline and transported to market, drastically reducing methane emissions.

During 2014, the volume of flared gas during well completions was 101,735 mcf, while the amount of vented gas during well completions was 0 mcf. In relation to the volume of natural gas produced in the year, the total volume of flared and vented gas was only 0.000038 million-barrel oil equivalent (mboe).

### USING NATURAL GAS AS AN ALTERNATE FIELD FUEL

In mid-2012, EQT began exploring the use of natural gas-powered drill rigs and completion equipment at its well sites. The design of these drill rigs makes them cleaner and quieter to operate than conventional diesel-powered equipment. Although more costly to build, the natural gas rigs can be less expensive to operate. The major benefit to the environment is that rigs running on natural gas emit 20% to 30% less carbon dioxide compared to their diesel counterparts, and have a small fraction of the emissions of nitrogen oxides, sulfur oxides, and particulates.

EQT field-tested two different options for displacing diesel fuel in production activities. One used a drilling rig powered by liquefied natural gas (LNG); the other a rig converted to use "field gas," which is unprocessed gas that comes directly from a nearby well. This latter method taps into gathering pipelines that carry gas from on-site production. In addition to reducing emissions, powering rigs with field gas eliminates the noise and truck traffic associated with deliveries of diesel fuel used to power traditional rig equipment. Thanks to the success of the initial pilot operations, EQT now regularly uses rigs powered by field gas whenever they are available and the site plan can accommodate them. In 2014, the Company used four of these rigs, and added three more in 2015.

## **FACILITIES**

Efficient energy use at EQT's facilities affects occupant health and safety, the environment, and the Company's finances, all of which make it a material aspect to EQT and its stakeholders.

To manage its energy use, EQT conducts yearly monitoring of progress and effectiveness of executed facility improvements, including benchmarking EQT buildings against other facilities, and removing the environment (degree-days) from the analysis, allowing EQT to identify the buildings with higher energy use and concentrate on these locations.

Natural gas is EQT's primary direct energy source for conditioning building spaces for occupancy (heating oil is only used in locations where gas is not readily available).

The Company also uses a significant amount of electricity for heating/cooling, lighting, and various support equipment. Because EQT leases many of its facilities, particularly office space, choosing a specific energy source is not always possible.

The Company's overall square footage for its building facilities increased during 2014, and the heating degree-days metric increased, which resulted in a 7.8% increase in direct energy use. To compensate, the Company implemented an extensive preventative maintenance program for all of its facilities. Using benchmarking against similar buildings, EQT identified opportunities for improvement, ensuring that all facilities run efficiently.

As an example, when maintenance or renovations take place, the Company upgrades lighting fixtures; installs motion sensors; uses night and weekend setbacks to control temperature during low occupancy; and upgrades equipment to take advantage of energy efficiencies. During 2014, EQT continued to refine timed usage of utilities, including facility thermostat settings to avoid heating or cooling unoccupied spaces. At corporate headquarters, the Company benefited when the building owner installed new HVAC equipment and controls.

EQT also set a baseline for the energy star ratings of office equipment used at Company locations, and pushes for even higher ratings when purchasing or leasing new equipment. During 2015, EQT plans to make longer-term investments at its owned facilities, including boiler replacements and lighting upgrades. EQT will continue tracking energy use with the intent to develop improvements based on return-on-investment analysis.

## **FLEET VEHICLES**

Another area where EQT is actively working to minimize its environmental impact is by using natural gas in its fleet vehicles as a cleaner-burning alternative to carbon-rich fuels such as gasoline and diesel. The EQT fleet management function dedicates substantial effort to increasing the number of vehicles that use compressed natural gas (CNG), which reduces the organization's overall emissions.

EQT reports and analyzes CNG usage monthly. The Company's fleet management team shares the data, including individual driver usage, with leadership in each business segment to foster awareness and encourage greater use of CNG vehicles for field operations. As a result, in 2014 EQT's CNG usage in bi-fuel vehicles increased year-over-year by 167%.

In response to demand from fleet owners and individual users, the Company added pump capacity at its public access CNG fueling station built in Pittsburgh, PA. EQT actively supports initiatives to expand the infrastructure needed to promote greater use of CNG as a transportation fuel in all states where EQT has business operations. In addition, EQT renewed its cash incentive program to help interested employees purchase CNG vehicles for personal use.

As CNG fueling stations become more prevalent across PA and WV, the Company continues the conversion of its fleet to run on CNG. Although EQT's total energy consumption by vehicles increased by almost 4% in 2014, additional CO<sub>2</sub> emissions were avoided, due in part to the use of CNG instead of diesel or gasoline.

The Midstream segment of EQT uses GPS Insights on its fleet vehicles to help minimize drive time and miles driven. These GPS systems, operated in conjunction with EQT's internal work management systems, determine efficient routing and planning of work. To encourage compliance, midstream operations personnel have compensation plan objectives that focus on reducing drive time and mileage.

## **FLEXIBLE WORK SCHEDULES AND OTHER BENEFITS**

EQT employees have multiple opportunities to help reduce the Company's GHG emissions. For those based in traditional office environments, flexible work schedules reduce the number of days employees commute in a given week; tax incentives are provided where available to encourage greater use of public transportation; and all facilities are equipped to use web-based meeting services and conference calls, reducing the need for travel.



## STAKEHOLDER ENGAGEMENT

EQT understands that its business activities directly affect the lives, and livelihoods, of its stakeholders. The Company values transparency in communications, and appreciates that its license to operate depends on providing information to diverse groups of stakeholders, enabling them to understand and evaluate how the business operates.

### WHO ARE EQT'S STAKEHOLDERS?

EQT continually monitors internal and external interest in its business, as well as the broader natural gas industry, and uses that information to identify key stakeholder groups. The Company implements appropriate communications methods for each party to hear, understand, and be informed. The specific interests and methods of interaction are as diverse as the individual parties are, but based on recurring contact, EQT has identified several key stakeholder groups:

- Investors
- Employees
- Communities near operations
- Landowners/Royalty Owners
- Elected Officials
- Regulators
- Non-Government Organizations (NGOs)
- Nonprofit organizations and charities
- Suppliers
- News Media/Industry Analysts
- Industry Trade Associations
- Emergency Service Professionals
- Customers

The specific concerns, methods of approach, and frequency of engagement vary, but in general, EQT has adopted the following methods of staying in touch with those most interested in the business.

## Stakeholder Audiences and Activities – 2014

Stakeholder Group	Engagement Approaches	Frequency
Investors	Earnings releases, SEC filings, investor teleconferences and meetings, investor relations contacts, annual shareholder meeting, Corporate Secretary contact listed on the Investors section of eqt.com and eqtmidstreampartners.com	As needed, but at least once each quarter
Employees	Print, electronic and video communications, employee staff meetings, intranet, lunch and learn seminars, volunteer activities, surveys, formal reporting channels, Compliance Hotline	Daily
Communities and Emergency Service Professionals	<p>Face-to-face meetings with EQT Community Advisors</p> <p>Facility and rig tours, community meetings, open houses, public safety communications, phone hotlines to report problems or provide feedback, philanthropic giving programs, sponsorships, surveys, focus groups, advertising, direct mail</p> <p>Drilling and completion activity locations distributed weekly to Emergency Service Professionals</p> <p>Toll-free community outreach hotline</p>	<p>Access to region-specific Community Advisors is available as needed or requested</p> <p>Phone hotlines, email, corporate websites, Facebook and YouTube are available 24/7</p> <p>Facility and rig tours, public safety communications, and other interactions scheduled upon request</p> <p>Community meetings and open houses scheduled as needed</p> <p>Advertising, focus groups, surveys, sponsorships conducted as needed</p>
Customers	Business relationships, Internet, customer newsletters and satisfaction surveys, advertising, Customer Hotline	<p>Phone hotlines, email, corporate websites, Facebook and YouTube are available 24/7</p> <p>Customer satisfaction surveys and energy assistance programs are offered to retail distribution customers on a defined schedule as required by regulation</p>
Landowners/ Royalty owners	Personal meetings, letters, access to company landmen, open houses, public meetings, toll-free royalty hotline	Continuous – as needed or requested
Elected Officials & Regulators	Policy discussions, Political Action Committee, frequent meetings with national and state regulators and local municipal leaders, lobbyists, membership in trade associations, surveys	Continuous – as needed or requested
Non-governmental organizations (NGOs)	Project partnerships, reporting on environmental, economic, and social topics; philanthropic giving; surveys; accessibility to dialogues; environmental assessments	Continuous – as needed or requested
Nonprofit organizations & charities	Personal meetings, Internet, access to EQT Foundation	Continuous – as needed
Suppliers/ Contractors	Commercial relationships, websites, request-for-proposal process, training sessions, trade shows, chamber of commerce memberships	Continuous – as needed
News media/ Industry analysts	News releases, website, phone calls, e-mail exchanges, interviews, trade shows, and speaking engagements by executives and senior managers	Continuous – as needed or requested

From these interactions, a number of topics emerged requiring different response methods, including:

### Stakeholder Inquiries and Response Methods – 2014

Topic/Concern	Response Methods
What is involved in drilling a well?	Descriptive videos hosted on YouTube: How We Develop a Well; Addressing Our Neighbors Concerns – Well Safety; EQT Horizontal Drilling animation; Presentations
What is in the fracking fluid?	Fluid compositions for each well posted to fracfocus.org
Safety	Routine meetings with municipal leaders, fire departments, EMS managers EQT Guiding Principles and Environmental, Health and Safety policy published on eqt.com
Investor inquiries	Information posted on EQT and EQM Investor Relations sites, quarterly earnings calls and transcripts, meetings with institutional investors, annual meeting of shareholders
Landowner Relations	Personal meetings, letters, telephone calls, direct access to company landmen, open houses, public meetings Information and contacts posted on eqt.com Online owner relations portal for existing royalty owners or leaseholders Descriptive videos hosted on YouTube: Addressing Our Neighbors Concerns – Land; Addressing Our Neighbors Concerns – Noise; How We Develop a Well
Land and Water preservation	Informative videos hosted on YouTube: Addressing Our Neighbors Concerns – Land; Addressing Our Neighbors Concerns – Water; How We Develop a Well
Pipeline Safety	Informative video hosted on YouTube: Addressing Our Neighbors Concerns – Pipeline Safety; annual mailing to residents and businesses along pipeline right of ways describing pipeline safety procedures/contacts
Emissions	Informative video hosted on YouTube: How We Develop a Well
Roads/Noise/Local concerns	Region-specific Community Advisors maintain regular contact with township and municipal authorities to address concerns raised by local residents about EQT operations
Charitable Giving	EQT Foundation information and procedures posted on www.eqt.com; EQT Foundation Manager available via phone or email to address specific inquiries; Community Advisors assist with inquiries regarding local giving not eligible for Foundation support
Employment Opportunities	Job openings posted on eqt.com and other major job sites; participation in college recruiting, and regional job fairs

#### MAINTAINING OUR SOCIAL LICENSE TO OPERATE – COMMUNITY OUTREACH

Unlike typical industrial or commercial operations that can often be located where it is most convenient for all parties involved, the extraction and transport of natural gas must occur where the resource is located, often in or near communities. As EQT's business operations expand, the Company has also increased its efforts to enhance communications and personal interactions with nearby residents and businesses.

EQT'S Community Advisors play an important role in maintaining the connection between EQT and its neighbors. As EQT employees, the Community Advisors are based regionally in or near EQT's primary operating areas. This regional approach helps them to cultivate relationships with local elected officials, first responders, and other external stakeholders as they work to protect and maintain EQT's corporate reputation. As members of their respective communities, the Community Advisors are a regular touchpoint for gathering information to

help EQT identify local concerns before they inconvenience neighbors. They act as a conduit for suggesting ways to strengthen Company processes and procedures as they advocate for the community by ensuring that identified issues reach the appropriate levels in the Company and ultimately achieve resolution. The Community Advisors also become the central point of contact for residents to learn more about current or future projects in their communities, minimizing concerns about the what, when, where, and why of EQT activity happening in their community.

The issues tracking system implemented by the Community Advisor program in 2013 continues to refine its documentation and resolution processes, and provides major input to the continuous improvement activity at EQT. The internally managed database helps identify common concerns and appropriate solutions so the Company can anticipate and resolve issues before they occur at similar operations in the future.

Capturing all aspects of a given concern, from identification to resolution and lessons learned, not only helps avoid recurrences, but it also provides another way to report community issues upward within the Company. During 2014, some of the most common impacts reported (and mitigation implemented) included:

## Resolving Community Concerns – 2014

Community Issue	Potential Mitigation Approaches
Contractor Traffic Speed	<ul style="list-style-type: none"> <li>Third-party monitoring by private security agents who possess a law enforcement background and have vehicles that are radar-equipped so they are able to pull over traffic</li> <li>Work with local school districts to establish when school buses are picking up and dropping off students along a road, and install signage restricting truck traffic during posted times</li> <li>Establish EQT self-imposed speed limits on bonded routes and install speed limit signs</li> <li>Remove repeat offenders from jobsites</li> </ul>
Contractor Traffic Noise	<ul style="list-style-type: none"> <li>Carefully consider staging areas and hauling routes to minimize disturbance</li> <li>Establish EQT self-imposed speed limits on bonded routes and install speed limit signs</li> <li>Consider local supply alternatives to reduce water truck traffic</li> <li>Encourage limited engine brake usage, when safe</li> </ul>
Contractor Traffic Frequency	<ul style="list-style-type: none"> <li>Carefully consider staging areas and hauling route to minimize disturbance</li> <li>Work with local school district to establish bus curfews, and install signage restricting truck traffic during posted times</li> <li>Consider local supply alternatives to reduce water truck traffic</li> </ul>
Noise from drilling and completion activity	<ul style="list-style-type: none"> <li>Consider using sound walls</li> <li>Consider using dual-fuel natural gas drilling rigs and hydraulic fracturing crews to reduce diesel engine usage and noise</li> <li>Consider holiday curfew periods</li> </ul>
Road impact and maintenance	<ul style="list-style-type: none"> <li>Frequent monitoring of routes surrounding operations by Community Advisors</li> <li>Pre-construction meetings with township and continued updates at monthly meetings, or more frequently, if necessary</li> <li>Ongoing maintenance during operations phase to keep roadways safe and passable</li> <li>Evaluation and restoration of roads after operations</li> <li>Dust control via watering truck and self-imposed speed limits</li> </ul>
Road impact by multiple users	<ul style="list-style-type: none"> <li>Community Advisors work with EQT business units, state highway departments, and other users to establish cost sharing structure for multiple users</li> </ul>

Although the Community Advisors are the most visible means of interacting with local communities, the Company has other internal approaches to organizing and tracking responses to specific types of issues raised in its operating communities.

The land administration department in the Production business segment handles royalty complaints and certain change-of-lease ownership questions, while its land department manages leasing questions and landowner concerns about drilling and associated activities. The land department in the Midstream business segment manages questions and landowner concerns about pipeline construction, pipeline safety, and compressor station operations.

In its EH&S department, EQT has a freshwater source protection, monitoring, and internal reporting program. This program enables the Company to assess and understand pre-existing groundwater conditions; monitor conditions during drilling and hydraulic fracturing operations; and quickly respond to any discovered water issues or landowner complaints.

The program also tracks analytical data, complaints, complaint status, and updates on whether the issues potentially relate to EQT's activities. The number of complaints received per 100 wells spud provides a benchmark value for ongoing quarterly comparisons. Senior management in the Production business segment, and EQT's Executive Environmental Council, receive periodic reports from this program.



EQT’s ongoing strategy to manage its relationships with local communities effectively is one of the reasons that the Company did not encounter any significant disputes (i.e., disputes that could halt or disrupt current, planned, or proposed operations) during 2014.

Successful decommissioning of sites is another effective strategy. EQT bases decommissioning decisions on the economic viability of the site. No EQT sites that were active in 2014 had decommissioning plans in place, and there were no complaints on outstanding local community issues nor any government notices on decommissioning during the year.

EQT does not explicitly track the total land area of active and inactive sites; however, during 2014, the Midstream business segment had 120 active compressor stations, four inactive compressor stations, and eight active dehydration stations. The Production business segment had approximately 11,961 active wells, and 79 plugged wells. EQT also transferred approximately 2,900 active wells, four injection wells, and 19 active compressor stations to Range Resources.

As a reference, EQT defines inactive sites as non-operating compressor stations (midstream operations) and shut-in wells that are closed-off and do not produce natural gas (production operations).

## INVESTING IN OUR COMMUNITIES

EQT works hard to integrate social responsibility into the many facets of its business activities, which includes investing in the communities directly affected by its operations.

All of EQT’s employees live and work within the United States, and the Company strives to hire from within its operating regions when the required skill sets are available. The local effort also extends to EQT’s supply chain, and includes helping smaller local companies partner with primary vendors to gain valuable industry experience.

## Sample EQT Community Investments - 2014

	EQT Corporation	EQT Foundation
Educational Improvement Tax Credit grants (PA)	\$504,444	
Local Giving (PA, WV, OH, KY, and VA)	\$325,302	
County Fairs & Festivals (PA, WV, OH, and KY)	\$111,975	
Sponsorships & other community events (PA, WV, KY, and VA)	\$579,050	
Grants and contributions (PA, OH, WV, KY, and VA)		\$4,119,000

EQT also invests millions of dollars every year to help improve local roads and infrastructure in numerous counties where the Company has active operations.

In 2014, EQT and the EQT Foundation invested more than \$5.1 million in charitable giving to local communities. The EQT Foundation, a separate 501(c)(3) organization, awarded more than \$4 million of that total to support local programming in Education, Arts and Culture, Environment and Community — areas of mutual importance to EQT and its stakeholders living and working near the Company’s operations.

EQT Corporation contributed an additional \$1 million in local giving in 2014, including slightly more than \$500,000 to support Pennsylvania’s Educational Improvement Tax Credit program, and approximately \$112,000 to sponsor numerous county fairs and festivals across its multi-state footprint. EQT’s other corporate donations provided much needed support to local community events, fire departments, food banks, playgrounds, parks, schools, and libraries.

Donations and sponsorships made from corporate treasury dollars are in relatively small amounts, however, to ensure that EQT’s charitable activities (financial and in-kind) do not support illegal purposes, a business case for any donation or sponsorship proposed by a department or business unit must be presented to and approved by management. The Company does not provide donations or sponsorships to individuals, nor does it provide donations or sponsorships to local authorities with decision-making responsibilities regarding EQT’s current or future operations.

The EQT Foundation’s Executive Operating Committee reviews funding proposals from nonprofit organizations and makes recommendations to the Foundation’s Board of Directors for approval. The Foundation’s funding priorities are available at eqt.com in the “Our Communities” section of the website.

## ENGAGING IN RESPONSIBLE PUBLIC POLICY INVOLVEMENT

As lawmakers continue to discuss and debate policies governing natural gas development, EQT recognizes the vital importance of engagement on these public policy discussions to protect its interests and create value for its shareholders. The Company actively participates in the political process, including supporting candidates whose views align with the Company's business interests.

EQT has developed policies to manage its interaction with elected officials and regulatory agencies to ensure that it remains compliant with all federal, state, and local laws. No employee may engage in lobbying activities on behalf of the Company, or use corporate treasury dollars for political purposes, without permission from EQT's Corporate Director of Government Affairs or the General Counsel.

### PUBLIC POLICY OVERSIGHT

The EQT Board of Directors' Public Policy and Corporate Responsibility Committee (PPCR) provides additional oversight of EQT's public policy involvement and strategies. The committee reviews and provides input and direction to management and the Board about the Company's approach to governmental affairs. More information about the PPCR committee is available on the EQT website at [ir.eqt.com/charters-and-documents](http://ir.eqt.com/charters-and-documents).

EQT conducts its political and public policy activity in compliance with local, state, and federal laws. The PPCR annually reviews all contributions made to political candidates and discusses the public policy issues that affect the company.

### SIGNIFICANT PUBLIC POLICY ISSUES

EQT supports federal, state, and local policies that promote stable investment climates for the exploration, production, and transportation of natural gas. These include policies governing environmental protection; taxes; natural gas production and transportation; and expanding the use of natural gas in the transportation, manufacturing, and electricity generation sectors. Some important legislative issues of importance to EQT include the Pennsylvania severance tax, lease integration, intangible drilling costs, and energy infrastructure:

**Pennsylvania Severance Tax** – Governor Tom Wolf has proposed a natural gas severance tax for unconventional wells. EQT is working with the Governor's Office and the General Assembly to ensure that any severance tax proposals establish reasonable rates and maintain the key provisions of the Marcellus Shale Impact Fee that distributes revenues to local communities where Marcellus Shale drilling is taking place.

**Lease Integration** – EQT supports legislation in West Virginia that allows operators to jointly develop multiple oil and gas leases owned and controlled by the same producer. Lease integration legislation gives producers the ability to jointly develop adjacent oil and gas leases at one time through horizontal drilling. It is essential to have legal mechanisms available, similar to those available in other major gas producing states, that will allow for the full development of natural gas resources — based upon a standardized set of policies that are fair to both producers' and lessors' interests. Lease integration legislation maximizes natural gas development while minimizing the surface impact associated with natural gas well development. Lease integration also ensures that all lessors are able to benefit from the development of their resources.

**Intangible Drilling Costs** – Federal tax law allows natural gas producers to deduct the costs associated with drilling for natural gas and oil that have no salvage value. These "intangible" drilling costs represent a significant portion of a producer's capital budget and eliminating this provision from the Federal tax code will reduce the amount of capital that is available for drilling new wells.

**Federal Energy Infrastructure Legislation** – The U.S. Congress is considering several bills that relate to the permitting and safe operations of interstate pipelines. EQT is monitoring these bills to ensure that any changes to the current pipeline regulatory programs are reasonable and establish a fair and predictable regulatory environment.

### CORPORATE ENGAGEMENT

EQT's political engagement takes on many forms. Upon the approval of Company management, EQT may use corporate treasury dollars to pay membership dues for business and industry trade associations. These organizations support member companies by educating the public, advocating for the interests of its member companies and industry, fostering critical relationships, and supporting informed public policy decisions. Business and industry trade associations may allocate a portion of their membership dues to lobbying activities. In 2014, EQT maintained memberships in a number of business and industry trade associations. In total, EQT spent \$935,367 in dues for these memberships, which were intended to support the regular programs and operations of each association. Although the associations reported that \$161,814 of those dues was spent on lobbying activity, EQT did not direct payments to any of these associations for political purposes.

## EQT Corporate Memberships – 2014

Association	Total Dues Paid	Portion of Dues Allocated to Lobbying
Alle-Kiski Strong Chamber	\$1,500	—
Allegheny Conference	\$121,000	\$24,200.00
American Gas Association	\$37,082	\$927.05
Center for Sustainable Shale Development	\$120,385	—
Greater Dubois Chamber of Commerce	\$625	—
Harrison County Chamber of Commerce	\$1,000	—
Interstate Natural Gas Association	\$85,000	\$12,750.00
Kentucky Chamber of Commerce	\$10,050	\$1,507.50
Kentucky Oil and Gas Association	\$12,500	\$3,125.00
Marcellus Shale Coalition	\$250,000	\$70,750.00
Marion County Chamber of Commerce	\$814	—
Mon Valley Chamber of Commerce	\$395	—
Natural Gas Supply Association	\$29,040	\$1,089.00
Ohio Oil and Gas Association	\$5,100	\$1,683.00
Pennsylvania Business Council	\$14,308	\$1,717.00
Pennsylvania Chamber of Commerce	\$28,487	\$12,819.15
Philadelphia Chamber of Commerce	\$10,500	\$525.00
Ritchey County Chamber of Commerce	\$165	—
Southeast Kentucky Chamber of Commerce	\$999	—
Southern Gas Association	\$41,400	—
Tioga County Development Corporation	\$1,000	—
United States Chamber of Commerce	\$50,000	\$20,000.00
Utilities, Telecommunications and Energy Association of West Virginia	\$2,500	—
Virginia Chamber of Commerce	\$1,000	\$150.00
Virginia Free	\$3,000	—

Association	Total Dues Paid	Portion of Dues Allocated to Lobbying
Virginia Oil and Gas Association	\$4,500	\$4,500.00
Washington County Chamber of Commerce	\$420	—
Washington County Rotary	\$211	—
Waynesburg Area Rotary Club	\$789	—
Waynesburg Chamber of Commerce	\$400	—
West Virginia Chamber of Commerce	\$6,000	\$450.00
West Virginia Manufacturers Association	\$1,000	—
West Virginia Oil and Natural Gas Association	\$93,697	\$5,621.82
Wetzel County Chamber of Commerce	\$500	—
<b>TOTAL</b>	<b>\$935,367</b>	<b>\$161,814.52</b>

In addition to routine memberships, EQT provides in-kind support to business and industry trade associations to enhance their advocacy, educational outreach, scientific research, and public awareness efforts. EQT employees are active participants in the governance of the organizations to which the Company belongs, often serving as chair of key committees or subcommittees. Depending upon the structure of the association, these chair positions may serve as part of the association's governance body.

As active participants on association committees and related programs or projects, EQT employees speak at industry conferences and conventions, address the public and/or media, and represent the industry in testimony before government or other regulatory bodies.

EQT views all of these memberships as strategic components of its efforts to engage stakeholders, develop and implement best practices, and encourage financial, social, and environmental sustainability by members of the industry.

## POLITICAL SPENDING

EQT and its employees provide financial and in-kind contributions to political parties, politicians, and related institutions through the EQT Pennsylvania State Political Action Committee (PAC), the EQT Federal PAC and with EQT corporate treasury dollars. The primary funding source for the EQT Pennsylvania State PAC is through transfers from the EQT Federal PAC. These contributions comply with the laws and regulations of each jurisdiction of the Company's business operations, including all U.S. federal and state campaign finance laws. For more information about how EQT selects candidates to support, visit the "Our Responsibilities" section of eqt.com.

### EQT Treasury Dollars

During 2014, political spending using EQT corporate treasury dollars totaled \$178,700. Of that total, \$38,700 represented contributions to candidates for, and members of, the Virginia Legislature. The Virginia Public Access Project disclosed these contributions on their website at vpap.org.

Remaining contributions from EQT treasury dollars totaled \$140,000 to organizations organized under Section 527 of the Internal Revenue Code. These contributions supported memberships to the Democratic Governors Association, the Republican Governors Association, the Republican State Leadership Committee, and the Democratic Legislative Campaign Committee. During 2014, EQT did not make any contributions, or payments of corporate treasury dollars, to Super PACs, ballot measure committees, or 501(c)(4) social welfare organizations for political reasons.

### Employee Political Engagement

Total domestic political spending from the two EQT PACs during 2014 was \$146,000. The EQT PAC board, which is comprised of EQT senior leaders, reviewed and approved all PAC disbursements. In addition to transfers to the EQT Pennsylvania State PAC to fund contributions in PA, these disbursements included:

- Contributions to candidates for and members of the Pennsylvania General Assembly and candidates for governor: \$66,750
- Contributions to candidates for and members of the West Virginia Legislature and candidate for governor: \$22,200
- Contributions to candidates for Pennsylvania County and City Offices: \$5,350
- Contributions to candidates for Kentucky County and City Offices: \$2,250
- Contributions to candidates for and members of the Kentucky Legislature: \$10,450
- Contributions to candidates for U.S. Congress and U.S. Senate: \$39,000

## ATTRACTING AND RETAINING THE BEST EMPLOYEES

One of EQT's most important stakeholder groups is the skilled workforce that is critical to the Company's continued success — and with continued growth, it must be able to attract and retain the talent required for its operations.

EQT's recruitment and retention effectiveness relies heavily on its industry reputation and its rich history in the regions where it operates. The basis for EQT's employment brand is the trust earned as a good corporate citizen, the growth opportunities available to its employees, and its compensation and benefits programs.

EQT continuously reviews and evaluates its hiring, employment, and compensation practices to ensure that they comply with applicable law and are competitive with the external labor market. In addition, evaluation of the Company's approach comes in the form of: feedback from exit interviews, feedback from internal Employee Resource Groups (ERG), the results of employee surveys conducted by third-parties, turnover rate, ongoing internal evaluations of its compensation practices, and diversity representation in its workforce. EQT routinely reviews and evaluates information obtained from these sources and, when deemed appropriate by management, develops a plan to address the areas of concern.

### DEMOGRAPHICS

As of December 31, 2014, EQT had 1,750 employees, all located within the United States, and all classified as either full-time or part-time. Of these employees, 91 self-identified as minority. EQT does not have any employees covered by collective bargaining agreements.



EQT Workforce by Gender – 2014

	Male	Female	Total
<b>Total Workforce</b>	<b>1,379</b>	<b>371</b>	<b>1,750</b>
<b>Employment Type</b>			
Full-time	1,378	357	1,735
Part-time	1	14	15
Non-Union	1,379	371	1,750
Union (% of total workforce)	0%	0%	0%
<b>Employment Location</b>			
Kentucky	197	10	207
Pennsylvania	705	297	1002
Virginia	29	1	30
Texas	42	2	44
West Virginia	405	61	466
<b>New Hires</b>			
Total # New Hires	288	82	370
Total Rate of New Hires	16.5%	4.7%	21.1%
Kentucky	17	0	17
Rate of New Hires	0.97%	0%	0.97%
Pennsylvania	157	64	221
Rate of New Hires	8.97%	3.65%	12.62%
Virginia	3	0	3
Rate of New Hires	0.17%	0%	0.17%
Texas	40	2	42
Rate of New Hires	2.28%	0.11%	2.40%
West Virginia	71	16	87
Rate of New Hires	4.05%	0.91%	4.97%

<sup>1</sup> Reflects transfer of Virginia-based employees to Range Resources during 2014

	Male	Female	Total
<b>Employees Leaving</b>			
Total # Employees Leaving	200	35	235
Total Rate of Employees Leaving	11.42%	2.00%	13.42%
Kentucky	6	2	8
Rate of Employees Leaving	0.34%	0.11%	0.45%
Pennsylvania	73	27	100
Rate of Employees Leaving	4.17%	1.54%	5.71%
Virginia <sup>1</sup>	91	2	93
Rate of Employees Leaving	5.20%	0.11%	5.31%
Texas	1	0	1
Rate of Employees Leaving	0.05%	0%	0.05%
West Virginia	29	4	33
Rate of Employees Leaving	1.65%	0.22%	1.88%
<b>Parental Leave</b>			
Eligible	1,143	296	1,439
Not Eligible	236	75	311
Took Parental Leave in 2014	1	15	16
Returned from Parental Leave in 2014 (Return to Work)	1	13	14
Still employed 12 months after return (Retention)	1	11	12
Return to Work Rate	100%	87%	88%
Retention Rate	100%	85%	86%

## EQT Workforce by Employment Category – 2014

	Senior Management	All Other Supervisors and Managers	Exempt Professionals and Managers	Non-Exempt/ Hourly	Total
<b>Gender</b>					
Male	0.28%	16.74%	24.91%	36.85%	78.80%
% receiving regular performance/career development review	100%	99%	96%	96%	96%
Female	0.11%	3.2%	9.65%	8.22%	21.20%
% receiving regular performance/career development review	100%	100%	97%	94%	96%
<b>Minority Group</b>					
Minority	0.00%	0.45%	2.28%	2.45%	5.18%
Non-minority	0.40%	19.48%	32.28%	42.62%	94.78%
<b>Age Group</b>					
<30	0.00%	0.68%	6.68%	7.60%	14.97%
30 – 50	0.05%	12.68%	20.85%	25.31%	58.91%
>50	0.34%	6.57%	7.02%	12.17%	26.11%
Disabled	0%	0.22%	0.34%	0.05%	0.62%
Reportable Veteran	0.00%	0.45%	0.85%	1.20%	2.51%

EQT's performance management and payroll systems were the sources for this data. The performance management system documents each complete step in the review cycle workflow, providing confirmation that each active employee received a performance evaluation for the 2014 calendar year. New hires with a start date between October 1 and December 31 are exempt from the performance review process for that year, making up the slight percentage deficiencies above

### DIVERSITY AND INCLUSION

EQT believes that leveraging the skills and perspectives of a diverse workforce challenges the status quo and spurs innovation, which leads to growth and increased Company performance.

Diversity and Inclusion is part of EQT's Corporate Social Responsibility Value Driver, in which performance is reviewed annually to ensure that EQT:

- Is recruiting the best and brightest talent from all communities
- Recognizes that employee differences bring richness to the work environment
- Maintains a work environment that makes objective decisions, is inclusive of, and fosters diverse views and perspectives

EQT evaluates its approach to employee diversity by routinely reviewing feedback from exit interviews, feedback from employee resource groups, the results of employee engagement surveys, turnover analysis, ongoing internal evaluations of the Company's compensation practices and diversity representation in the workforce. When deemed appropriate by management, the Company develops appropriate plans to address the areas of concern.

### Employee Resource Groups (ERGs)

EQT sponsors several ERGs, which are groups formed by employees based on shared characteristics or life experiences. Introduced in 2013, the development of ERGs at EQT supports the Company's efforts to attract, retain, and develop diverse talent; and aids in promoting EQT's efforts in the communities where it does business. EQT currently has four established ERGs:

- Multi-Ethnic ERG
- Parents Resource Group
- Women in Energy
- Developing Professionals

### BENEFITS

EQT designed its core benefit package to meet the personal and professional needs and expectations of employees and their families. There is no difference in the benefits provided to EQT employees based on work location or operational business units, however the available benefits do vary based on work status [full-time vs. part-time] as indicated in the chart on page 39.

Supplementing the benefit package is EQT's "Take Charge" wellness program, that offers personal health coaching, wellness information, and health management programs to help employees

and their families address personal health and wellness issues. A third party administers these resources for EQT, and individual results (or information from any part of the Program) remain strictly confidential. The Take Charge program includes employee educational sessions facilitated by professional medical staff and scheduled during work hours, as well as newsletters mailed to employees' homes for the benefit of their families.

EQT's Employee Assistance Program compliments Take Charge by providing confidential short-term counseling services and treatment programs; as well as referrals for issues such as family and relationship concerns, elder care, money management, and legal problems. All employees, including

those who waive the Company's medical coverage, have access to this benefit — and anyone living in the employee's household is eligible. The Company pays the full cost for up to five in-person visits with a counselor for each problem.

In 2014, EQT continued its on-site health-screening program for all employees. The employee receives immediate results from the screening, along with a consultation with a medical professional to review and ask questions. The Company also provides cash incentives to employees that participate in online or telephone-based health coaching programs, smoking cessation programs, and pregnancy education offered through contracted third parties.

### EQT Employee Benefits – 2014

Healthcare	Insurance	Financial	Lifestyle
Medical*	Employee Accidental Death & Disability (company paid)	Severance Pay	Paid Vacation
Dental*	Short-term Disability (company paid)	Relocation Assistance	Education Assistance Program
Vision*	Long-term Disability (company paid)	401(k) Retirement Savings with matching EQT contributions*	9/80 Work Schedule – optional
	Business Travel Accident (company paid)	Health Saving Account*	Jury Duty paid time off
	Employee Life Insurance (company paid)	Credit Union*	Extended Unpaid Leave of Absence
	Optional Life Insurance – employee, spouse, child	Employee Stock Purchase*	Employee Assistance Program*
		Retirement Contribution*	Family & Medical Leave (includes Maternity/Paternity Leave)
			Commuter Reimbursement Accounts*
			Wellness Programs*
			Computer Purchase Program*
			Matching Gift Program – 100% match up to \$25,000/year*
			Paid Leave of Absence

\* Part-time employees are also eligible for these benefits

### TRAINING

Training and education is critical to EQT's ability to attract, motivate, and retain talent and to facilitate a culture of continuous employee development and innovation. Ongoing employee training and education also ensures up-to-date technical skills in critical positions, however, EQT does not currently have a mechanism for accurately tracking the training that each employee completed during the reporting period.

On the first day of employment, every EQT employee completes new hire orientation. This program ensures that each employee understands the Company's leadership competencies,

performance expectations, and culture. Keeping EQT's employees well trained provides formal and informal growth opportunities throughout their careers, and fosters a culture of process improvement and innovation.

Managers/supervisors routinely work with their employees to identify programs and course work that would improve their skill sets. Other career development tools employed by EQT include cross-functional rotational assignments, individual development plans and coaching, and in-house operational/technical training. EQT's training effectiveness is measured through employee performance and promotions.

For full-time employees interested in continuing their formal education, EQT offers an Education Assistance Program. There is no maximum benefit under the Program, provided the employee receives necessary course approvals in advance and obtains the required grade levels.

Skills management is not limited to an employee's active work life. The Company works with employees nearing retirement to ensure a smooth transition at the end of employment. During 2014, EQT's 401(k) Plan Administrator conducted in-person sessions, online courses, one-on-one meetings in local offices, and telephone discussions for those seeking advice about retirement planning.

The EQT Employee Assistance Program, managed by an independent provider, is another resource that offers online courses and individual counseling sessions for those employees retiring or terminating from the Company. In addition, EQT offers a separation package to most employees who terminate involuntarily.

### **INTEGRITY AND ETHICAL CONDUCT**

Integrity is an essential component of EQT's core values — and ensuring that all representatives of the Company understand the expectations and requirements defined by the Company is critical to growth and success. EQT's General Counsel and Vice President, External Affairs has overall responsibility for managing anti-corruption and anti-competitive efforts.

To communicate these requirements, both EQT and EQM have a Code of Business Conduct and Ethics (Code). The Codes and Company policies provide ethical guidelines and expectations for employees, directors, and officers as well as suppliers, vendors, agents, contractors, and consultants. Last updated in November 2013, the Codes are available to all stakeholders on the investor relations sites of [eqt.com](http://eqt.com) and [eqtmidstreampartners.com](http://eqtmidstreampartners.com).

Senior leadership is responsible for approving the Codes and related policies. The Company requires that all employees annually certify their understanding and compliance with the EQT Code of Business Conduct and Ethics, related Company policies, and, if applicable, the EQM Code of Business Conduct and Ethics. All employees must similarly comply with the Company's antitrust policy, last updated January 1, 2006, and abstain from any activity that might violate applicable antitrust laws or give any appearance of violation or an intention to violate. EQT also has a Company policy, last updated on November 1, 2010, outlining the responsibilities of Company officers, directors, employees, agents, and vendors to comply with the Foreign Corrupt Practices Act (FCPA).

EQT provides compliance and ethics training to employees in a number of formats. New employees, based on their roles and responsibilities, must complete mandatory compliance training within the first few months of employment. These online courses cover a variety of themes found within the

Company's Code of Business Conduct and Ethics as well as corporate policies, including anti-corruption and antitrust compliance. Existing employees receive conflicts of interest training on a needs basis, determined by the business leaders or compliance and ethics department. In addition, select employees receive annual and ad hoc training according to applicable regulatory requirements.

During 2014, 335 new employees completed the online Codes of Business Conduct and Ethics training, representing approximately 19% of the total employee population. Similarly, 333 new employees completed the online Conflicts of Interest training, also representing approximately 19% of the total employee population.

During the same period, another 320 employees received in-person training on the Codes of Business Conduct and Ethics and the Conflicts of Interest policy (approximately 18% of total employee population), including approximately 145 employees from the accounting, finance, legal, and other control functions within the organization.

EQT monitors the effectiveness of its anti-corruption and antitrust efforts by reviewing the number of allegations and substantiated cases received through the Compliance Hotline, the Compliance Network, and other internal or external communication channels; any negative trends in the number of allegations and substantiated cases of corruption or anti-competitive behavior may lead to potential modifications to the policies and procedures.

EQT also looks to the Company's fraud risk assessment to identify where significant risks related to corruption might occur throughout the organization. The latest assessment, facilitated by an independent subject matter expert, covered 11 categories of fraud risk:

- Cyber fraud
- Third party/vendor fraud – contract fraud
- Third party/vendor fraud – integrity and governance risks
- Third party/vendor fraud – procurement fraud
- Capital projects
- Theft of goods or services
- Financial reporting fraud
- Misappropriation of assets
- Fraudulent acquisition of revenues or assets
- Fraudulent avoidance of expenses
- Fraudulent misconduct by senior management

The fraud risk assessment identified no significant risks related to corruption within EQT or EQM, and there were no legal actions pending or completed regarding anti-competitive behavior or violations of antitrust and monopoly legislation during 2014.



## POSITIVE ECONOMIC BENEFITS

During 2014, EQT remained committed to reducing unit costs, maintaining its strong balance sheet, and ensuring ample liquidity — all while continuing to execute the Company’s drilling program and infrastructure projects at an optimal pace of development in a safe and environmentally responsible fashion. EQT continues to focus on earning the highest possible returns from its investments, in order to increase shareholder value.

EQT’s activities also significantly benefited the U.S. economy, and the direct and indirect economic boost the Company provides to local economies in PA, WV, OH, KY, VA, and TX remains substantial — creating financial benefits for investors, employees, suppliers, local business owners, and numerous other stakeholders.

## KEY FINANCIAL INDICATORS

EQT’s 2014 fiscal year ended with five consecutive years of greater than 25% production sales volume growth.

### Direct Economic Value Generated and Distributed – All Operations

<b>2014 Results (millions)</b>	
<b>Direct economic value generated:</b>	
<i>Revenue</i>	\$2,500
<b>Economic value distributed:</b>	
<i>Operating Expenses</i>	\$1,650
<i>Employee Wages + Benefits</i>	\$473
<i>Dividends paid to shareholders</i>	\$18.2
<i>Taxes paid to state and local taxing entities</i>	\$314
<b>Community Investments:</b>	
<i>EQT Foundation Grants</i>	\$4.1
<i>EQT Corporation Contributions &amp; Sponsorships</i>	\$1.5

Source: EQT 2014 Form 10-K and other internal documents

## RESERVES AND PRODUCTION

EQT Production achieved record-setting production sales volumes of 79.4 Mboe for 2014, representing a 26% increase over 2013. Approximately 79% of EQT's 2014 production sales volume came from horizontally drilled Marcellus wells, with Marcellus volumes increasing 37.5% year-over-year.

All EQT operating activities in 2014 were onshore, primarily within the states of PA, WV, KY, VA, TX, and OH. The data presented is consistent with the Company's 2014 Form 10-K filed with the U.S. Securities and Exchange Commission (SEC).

To determine reserves, EQT's Vice President of Engineering uses collected well data. A third-party auditor reviewed 100% of the total net gas and liquid hydrocarbon proved reserves attributable to the Company's interests as of December 31, 2014. The auditor conducted a detailed well-by-well review of EQT's largest properties, which accounted for 80% of the Company's proved reserves. The audit of the remaining 20% of EQT's properties consisted of aggregated groups not exceeding 200 operational wells per group, and 230 non-operational wells per group. For undeveloped locations, the auditor determined which of the Company's acreage to classify as proven. Reserves were assigned and projected by the Company's reserves engineers for locations within these proven areas and approved by the auditor based on analogous type curves and offset production information. EQT filed the audit report as Exhibit 99 of its Form 10K, dated February 12, 2015, submitted to the U.S. SEC.

### EQT Estimated Proved Reserves and Production by Resource Type and Operating Environment – 2014

(Mboe)	Marcellus	Huron*	Upper Devonian	CBM/ Utica/ Other	Total
Proved Developed	451.3	200.5	25.8	126.7	804.3
Proved Undeveloped	929.3	6.2	50.0	0.0	985.5
Total Proved Reserves	1,380.7	206.7	75.8	126.7	1,789.8
Total Developed Natural Gas					709.5
Total Undeveloped Natural Gas					919.8
Total Developed Oil					94.8
Total Undeveloped Oil					65.7

\*EQT includes the Lower Huron, Cleveland, Berea sandstone and other Devonian age formations in its Huron play. EQT does not deviate from generally accepted definitions for the individual resource types and operating environments referred to above

## ENRICHING LOCAL ECONOMIES

Each year EQT reviews its economic contributions as related to its primary operating states, as well as to the U.S. economy as a whole. This annual economic evaluation is shown in terms of gross domestic product (GDP), employment, labor income, employee compensation, state and local tax revenues, and royalty payments. These benefits are classified as direct (EQT and direct contractors); indirect (supplier-level); and induced (economic activity associated with spending by EQT, its direct contractors, and its suppliers' employees).

### EQT's Contributions to the Economy of the United States

EQT's activities in 2014 benefited the U.S. economy in multiple ways, including the support of 48,000 ancillary jobs; \$5.2 billion in contributions to the U.S. GDP; and \$314 million paid in state and local tax revenues. The charts below summarize these activities and the resulting economic benefits, the majority of which occurred in EQT's six primary operating states.

### EQT ECONOMIC ACTIVITIES AND RESULTING ECONOMIC CONTRIBUTIONS TO THE U.S. ECONOMY

#### EQT Economic Activities

EQT Employees (#)	1,750
EQT Employee Compensation	\$473 million
Capital Expenditures	\$3,145 million
Royalty Payments	\$1,548 million
Dividends, Stock Repurchases, & Distributions	\$118 million



#### EQT Economic Contributions

Ancillary Jobs Supported (#)	48,000
GDP Contribution	\$5.2 billion
Ancillary Labor Income	\$2.4 billion
Ancillary Annual Compensation per Job Supported	\$50,600
State & Local Taxes	\$314 million

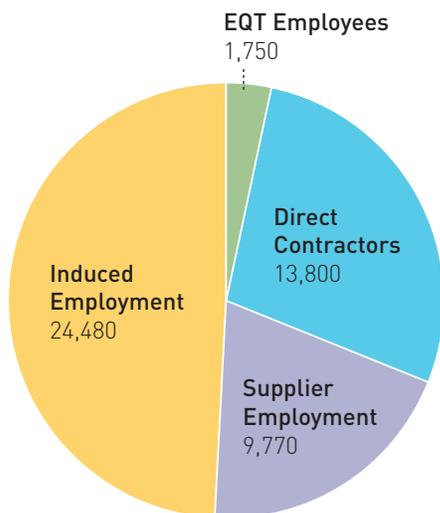
**Calculation Method**

EQT contracted with an external firm, FTI Consulting, to perform an independent analysis of the Company’s economic contributions using the IMPLAN model to estimate the economic impact and jobs creation resulting from EQT’s 2014 activities. The IMPLAN model is a general input-output modeling software and data system that tracks the movement of money through an economy, looking at linkages between industries along the supply chain, to measure the cumulative effect of spending in terms of job creation, income, production, and taxes. IMPLAN provides the economic ripple effect, or multiplier effect, that tracks how each dollar of input, or direct spending, cycles through the economy to suppliers and ultimately to households.

**Employment Contributions**

EQT’s employment contributions extend well beyond its direct employees. EQT retains a significant number of contractors to support its production and transportation investments and operations. Additionally, the earnings spent by the employees of EQT, its direct contractors, and its suppliers contribute to employment in sectors that provide them with goods and services (induced impact). Total employment contributions, including EQT’s 1,750 employees, were estimated at 49,750 persons employed in the U.S.

**Workforce Impacts – 2014**



\* Figures rounded to the nearest 10

**Employee Compensation**

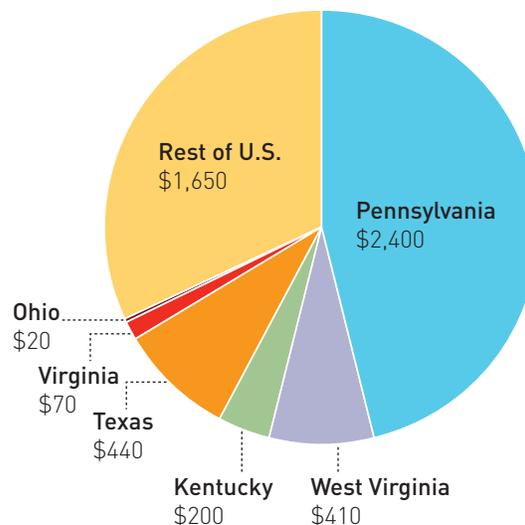
EQT’s activities support U.S. employment and provide well-paying jobs to its staff, direct contractors, and its suppliers. In 2014, on average, EQT provided compensation to its employees, direct contractors, and suppliers that exceeded the U.S. estimated median household income of \$55,000.

Source: Sentier Research “Household Income Trends June 2015

**Gross Domestic Product (Value-Added)**

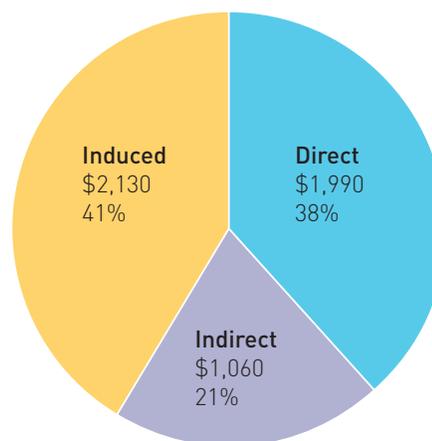
EQT contributed \$5.2 billion in GDP or value-added to the U.S. economy in 2014. The majority of the GDP impacts (68%) occurred in the states where EQT operates. The remaining 32% of GDP contributions were from out-of-state suppliers that provided goods and services for operational activities in EQT’s six primary operating states.

**State GDP Contributions (millions) – 2014**



At \$2.4 billion or 46% of the total, EQT’s activities in Pennsylvania represented the largest U.S. GDP contribution. EQT’s five other operating states represented 22% of EQT’s GDP contribution, with the remaining 32% GDP impact to the U.S. overall.

**Level of Economic Effect (millions) – 2014**



If analyzing the various levels or types of economic effects, EQT’s direct activities contributed \$1.99 billion in GDP while the indirect or supplier-level generated \$1.06 billion GDP. Due to the significant royalties paid by EQT in 2014 (\$1.5 billion), the induced impact was the largest at \$2.13 billion, just slightly higher than EQT’s total direct impact.

### State and Local Tax Payments

EQT's activities in 2014 generated more than \$300 million in state and local tax revenues, which in turn supported the operations of state and local governments.

### Estimated Direct, Indirect, and Induced State and Local Tax Payments from EQT's 2014 Activities

(millions)	PA	WV	KY	TX	VA	OH	Rest of U.S.	Total
Property Taxes	\$52.1	\$4.2	\$1.7	\$12.3	\$0.7	\$0.9	\$39.7	\$111.6
Income Tax	\$14.8	\$6.3	\$1.7	\$0.0	\$0.6	\$0.3	\$21.6	\$45.3
Sales Tax	\$36.7	\$7.5	\$1.9	\$6.7	\$0.5	\$0.5	\$44.1	\$97.9
Other Personal Taxes	\$5.7	\$4.7	\$0.2	\$2.3	\$0.0	\$0.1	\$6.0	\$19.0
Other Taxes on Production and Imports	\$7.8	\$2.9	\$0.7	\$3.4	\$0.0	\$0.0	\$8.3	\$23.1
Other	\$6.2	\$0.9	\$0.2	\$2.6	\$0.3	\$0.1	\$6.6	\$16.9
Total	\$123.3	\$26.5	\$6.4	\$27.3	\$2.1	\$1.9	\$126.3	\$313.8

## MAINTAINING A DIVERSE AND LOCAL SUPPLY CHAIN

EQT's procurement function is essential to achieving a best-value supply chain that ensures safe and responsible operations. The Company works to build open and honest relationships with local and diverse suppliers who can provide innovative solutions, high-quality goods and services, competitive pricing, and are able to perform consistently as required by Company operations.

The procurement department manages numerous control and compliance processes, facilitating a selection of suppliers that can best help to meet the Company's performance and sustainability goals and values. These processes, which include purchase order approval limits, competitive bid requirements, and periodic reviews of spend allocations, also ensure conformity with environmental, safety, and legal requirements set forth by the Company.

To ensure a quality supply chain, EQT's procurement team works with the business segments to monitor supplier performance — implementing corrective actions if needed. The Company also evaluates its procurement strategies, procedures, and reporting activities regularly, including items such as:

- Spend / leverage strategies
- Supplier selection process and associated due diligence
- Evaluation of suppliers' ISNetWorld® safety ratings

- Consistent application of the Codes of Business Conduct to the Company's supply chain
- Suppliers' utilization of electronic invoicing rather than paper
- EQT maintains an ongoing dialogue with its suppliers regarding areas, issues, or concerns that may cause negative impact or perception. As such, adjustments can be made that provide a mutually beneficial solution for all parties — one such adjustment led to offering discount payment terms for suppliers looking to improve their cash flow position. In addition to maintaining effective sourcing processes and procedures, contract management also plays an active role in handling vendor compliance. Before execution of any supplier agreement, the vendor must meet prescribed compliance requirements, and a supplier cannot commence work until a mutually acceptable contract is fully executed.
- To support the Company in its commitment to ethical behavior, the majority of vendors receive an annual notification of their obligation to comply with the Codes of Business Conduct and Ethics, and specifically, their responsibility to be aware of actual or apparent conflicts of interest. EQT does not track the communication of anti-corruption policies to business partners by type or location, however, in 2014 approximately 1,650 EQT and 200 EQM vendors received the notification letter. As a follow-up, EQT completed vendor audits for those companies identified in EQT's most recent fraud risk assessment as having higher-risk profiles. All vendors

have access to the Codes of Business Conduct and Ethics via the EQT and EQM public websites, and most procurement contracts require that vendors comply with the Codes of Business Conduct and Ethics, or a similar code that complies with the U.S. Federal Sentencing Guidelines.

### EXPANDING LOCAL CONTENT

EQT spends money with large and small suppliers throughout the U.S.; however, the Company values the benefits of supporting local economic development and is committed to awarding procurement contracts locally where possible. EQT defines local spend as purchases from suppliers based within one of the six states where the Company conducts significant business activity and makes purchases to support that activity. During 2014, the local spend with suppliers located within the Company's six-state operating footprint (PA, WV, KY, VA, OH, TX) was 88% of the total procurement budget. After careful consideration during the selection process, the Company strives to select local suppliers when all other factors are equal.

All suppliers, whether local or national, are subject to the same general consideration requirements, including:

- **Safety** – Safe and environmentally friendly operations are imperative at EQT; and suppliers must achieve "approval status" (as applicable to the good or service provided) by the Company's Safety Department and by ISNetwork®.
- **Value** – EQT places significance on the overall value that suppliers offer. Suppliers who differentiate their offerings from their competitors through increased value usually merit greater consideration
- **Price** – EQT takes pride in being a responsible operator and a low-cost producer; therefore, in many cases, lower supplier costs are looked upon favorably as it enables the Company to achieve cost-savings
- **Quality** – As EQT strives to be a good neighbor by respecting the communities where it operates, the Company demands best-in-class supply chain performance that mirrors this expectation
- **Delivery** – Along with being a low-cost producer, on-time delivery is a critical measurement consideration to avoid expensive operational delays

### IDENTIFYING DIVERSE BUSINESSES

To encourage diverse supplier utilization, EQT actively tracks the number of diverse suppliers, the aggregate spend, and the percentage of total spend going to diverse suppliers; and in turn, reports this information to the Company's senior management. EQT defines diverse businesses as:

**Minority Business Enterprise (MBE):** A for-profit enterprise, regardless of size, physically located in the United States or its territories; and owned, operated, and controlled by minority group members. "Minority group members" are U.S. citizens who are Asian, African American, Hispanic, and Native American. Ownership by minority individuals means the business is at least 51% owned by such individuals or, in the case of a publicly owned business, one or more such individuals own at least 51% of the stock. Further, those minority group members control the management and daily operations.

**Woman Business Enterprise (WBE):** An independent business concern where one or more women, who are U.S. citizens or Legal Resident Aliens, own and control at least 51% of the organization. For these entities, the business formation and principal place of business must be in the U.S. or its territories; and one or more of the women owners control the management and daily operation of the business.

### Service Disabled Veteran Owned Small Business (SDVOSB):

A "small business concern owned and controlled by service-disabled veterans." For consideration as a SDVOSB, a business must meet the following criteria:

- Not less than 51% is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51% of the stock is owned by one or more service-disabled veterans, and
- The management and daily business operations are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such a veteran

To enhance its awareness and access to local and minority suppliers, EQT uses national and regional councils, chambers, and coalitions to help identify qualified local bidders. In 2014, the Company expanded its supplier outreach to include educational seminars, including supplier diversity education, to build the capacity of local firms hoping to expand into the natural gas industry. The following organizations helped to facilitate these efforts with their members:

- African American Chamber of Commerce of Western Pennsylvania (AACCWP)
- Houston Minority Supplier Development Council (HMSDC)
- Marcellus Shale Coalition (MSC)—EQT participates on the Supply Chain Steering Committee.
- Southwest Minority Supplier Development Council (SMSDC)



- Supplier Diversity Matchmaker
- Women’s Business Council-Southwest (WBCS)
- Women’s Business Enterprise Council (WBEC)
- Eastern Minority Supplier Development Council (EMSDC)

EQT sponsors and participates in EMSDC’s annual Business Opportunity Fair, and Company procurement personnel volunteer on EMSDC’s Education, Certification, and Planning Committees. EQT employees also provide guidance and leadership by serving on the EMSDC Board of Directors.

**ENCOURAGING INDUSTRY PARTNERSHIPS WITH LOCAL AND DIVERSE SUPPLIERS**

EQT also supports WBEC’s annual matchmaking event to help identify qualified suppliers. Borrowing from that model, the Company co-sponsors an annual industry matchmaker event where EQT helps connect local suppliers with other energy companies to develop potential business opportunities. In fact, 13 of the Company’s top suppliers attended the industry matchmaker event in 2014; many of these relationships stemming from individual meetings held during this annual event.

All of these events boost EQT’s pursuit of qualified local suppliers, and they support the Company’s efforts to encourage its first-tier suppliers and contractors to buy locally. To motivate these first-tier suppliers and contractors, EQT implemented several targeted procurement initiatives, including:

- Adding language in EQT and EQM Requests for Proposals that strongly encourage prime suppliers to seek out and include diverse businesses as part of their proposed solution
- Requiring all vendors to complete and submit a sub-contracting document with their proposal identifying where and how they will utilize local vendors as part of the bidding process
- Conducting meetings with EQT’s top suppliers to provide diversity education, outline reporting requirements for sub-contracting with diverse suppliers, and identify

- specific commodities purchased by the top suppliers to align them with diverse firms selling those products
- Tracking local and diverse vendor usage by asking top Company suppliers to provide their monthly spend with diverse sub-contractors and local suppliers

**EXPANDING LOCAL ECONOMIES THROUGH SUPPLIER GROWTH**

Identifying new suppliers to bid on projects is important; however, EQT also works closely with existing and successfully performing companies to identify opportunities to expand the work that they do for the Company. When a firm demonstrates scalable service capabilities, the Company works closely with them to mentor and effectively expand the capacity of their business offerings. As these firms grow their capabilities, the Company considers them for larger projects, often resulting in the award of additional work and directly affecting the local workforce in a positive way.

This type of proactive support for capacity building earned EQT the 2014 Eastern Minority Supplier Development Council’s Corporation of the Year Award, the Corporate Advocate of the Year Award, the Harold T. Bushey Award, the Corporate Volunteer of the Year Award, and the Economic Impact Award. The Company also received the Shining Star Award from the Women’s Business Enterprise Council.

*EQT values the benefits of supporting local economic development and is committed to awarding procurement contracts locally where possible.*

## EQT PERFORMANCE BENCHMARK – KEY DATA

(As of December 31, 2014)

### Health and Safety Indicators

	2011	2012	2013	2014
Number of Fatalities	0.00	1.00	0.00	0.00
Lost-Time Accident Rate	0.47	0.34	0.38	0.13
OSHA Recordable Rate	1.98	2.52	2.04	1.66
Preventable Vehicle Accident Rate	0.86	1.22	1.39	1.45
Days Away, Restricted or Transferred	0.70	0.78	1.02	0.44

### Environmental Indicators

Fresh Water Withdrawals (1,000 cubic meters)	2,010	2,291	3,678	5,119
Volume of Produced Water (1,000 bbls)	27,952	3,647	5,172	6,642
Total wastewater recycled as % of total water withdrawn	N/A	32%	22%	21%
Greenhouse Gas Emissions (1,000 metric tons CO <sub>2</sub> e)	3,313	2,695	1,119	885
Fleet Usage Rate of Compressed Natural Gas (compared to all fuel sources used)	0.1%	2.0%	2.0%	3.3%
EQT Acreage – Wetlands (square miles)	48	47	50	42
EQT Acreage – Federal Land or Parks (square miles)	1,550	1,479	1,538	1,577
Monetary Fines	\$142,997	\$65,925	\$149,185	\$32,349
Number of Reportable Spills	56	55	34	46
Total Volume of Spills (bbls)	244	155	475	357

### Private Water Supply Complaints

Total Water Supply Complaints	N/A	18	19	37
Potentially Related to EQT Operations*	N/A	2	1	2
Days to Resolution (average)	N/A	N/A	46	22

\* None of the investigations of incidents Potentially Related to EQT Operations revealed any contamination associated with either methane migration or fluids involved in the actual drilling or hydraulic fracturing processes.

### Workforce Indicators

Number of Employees	1,835	1,873	1,626	1,750
Employee Turnover Rate	9.9%	11.2%	10.1%	13.4%

### Community Investment Indicators

EQT Foundation – Grants	\$3,508,035	\$2,968,000	\$3,962,000	\$4,119,000
EQT Corporation – PA Educational Improvement Grants	\$1,488,576	\$1,146,666	\$590,555	\$504,444
EQT Corporation – Local Giving (PA, WV, OH, KY, VA, TX)	\$125,930	\$208,100	\$320,200	\$325,302
EQT Corporation – Sponsorships & Community Events	\$295,440	\$600,175	\$432,650	\$691,025

### Economic Impact Indicators

Net Income (millions of dollars)	\$479.77	\$183.40	\$390.60	\$386.90
Operating Income (millions of dollars)	\$861.30	\$389.60	\$654.60	\$853.40
Capital Investment (billions of dollars)	\$1.20	\$1.40	\$1.80	\$3.12
Royalty Payments* (millions of dollars)	\$804.64	\$949.79	\$1,850.63	\$1,548.00
Total Proved Reserves (bcfe)	5,365	6,004	8,348	10,739
Property Taxes (millions of dollars)	\$28.73	\$30.14	\$26.27	\$23.10
Severance Taxes/Impact Fees (millions of dollars)	\$27.17	\$35.12	\$43.50	\$53.02

\*Total Royalty Income includes payments made to both Royalty Interest and Working Interest

### Public Policy Indicators

Political Spending – EQT Corporate Treasury	\$14,350.00	\$68,000.00	\$43,800.00	\$178,700
Political Spending – EQT Employee PACs	\$73,939.00	\$127,150.00	\$109,959.00	\$146,000

## GENERAL STANDARD DISCLOSURES

Disclosure Number	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>STRATEGY AND ANALYSIS</b>					
G4-1	Page 4	None	Not applicable	Not applicable	No
G4-2	Refer to EQT Form 10-K for fiscal year ended December 31, 2014	None	Not applicable	Not applicable	No
<b>ORGANIZATIONAL PROFILE</b>					
G4-3	Page 5	None	Not applicable	Not applicable	No
G4-4	Page 5	None	Not applicable	Not applicable	No
G4-5	Page 5	None	Not applicable	Not applicable	No
G4-6	Page 5	None	Not applicable	Not applicable	No
G4-7	Page 5	None	Not applicable	Not applicable	No
G4-8	Page 5	None	Not applicable	Not applicable	No
G4-9	Refer to EQT Form 10-K for fiscal year ended December 31, 2014	None	Not applicable	Not applicable	No
G4-10	Page 36	None	Not applicable	Not applicable	No
G4-11	None	None	Not applicable	Not applicable	No
G4-12	Page 28	None	Not applicable	Not applicable	No
G4-13	In June 2014, EQT exchanged certain assets with Range Resources Corporation. The Company received approximately 73,000 net acres and approximately 900 producing wells, most of which were vertical wells in the Permian Basin of Texas. In exchange, Range Resources received approximately 138,000 net acres in EQT's Nora Field of Virginia, the Company's working interest in approximately 2,000 producing vertical wells in Nora, the Company's remaining 50% ownership in Nora Gathering, LLC, and \$167.3 million in cash. This transaction also resulted in a significant reduction in EQT's workforce in Virginia and an increase in Texas; many of these employees either relocated to other EQT facilities or transferred to Range Resources.	None	Not applicable	Not applicable	No
G4-14	Page 17	None	Not applicable	Not applicable	No
G4-15	Page 19	None	Not applicable	Not applicable	No
G4-16	Page 34	None	Not applicable	Not applicable	No
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>					
G4-17	Page 5	None	Not applicable	Not applicable	No
G4-18	Page 2	None	Not applicable	Not applicable	No
G4-19	Page 3	None	Not applicable	Not applicable	No
G4-20	Page 2	None	Not applicable	Not applicable	No
G4-21	Page 2	None	Not applicable	Not applicable	No
G4-22	None	None	Not applicable	Not applicable	No
G4-23	Page 2	None	Not applicable	Not applicable	No

Disclosure Number	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>STAKEHOLDER ENGAGEMENT</b>					
G4-24	Page 29	None	Not applicable	Not applicable	No
G4-25	Page 29	None	Not applicable	Not applicable	No
G4-26	Page 30	None	Not applicable	Not applicable	No
G4-27	Page 30	None	Not applicable	Not applicable	No
<b>REPORT PROFILE</b>					
G4-28	January 1, 2014 - December 31, 2014	None	Not applicable	Not applicable	No
G4-29	September 1, 2014	None	Not applicable	Not applicable	No
G4-30	Annual	None	Not applicable	Not applicable	No
G4-31	Natalie Cox Corporate Director, Communications EQT Corporation 625 Liberty Avenue, Suite 1700 Pittsburgh, PA 15222 United States of America	None	Not applicable	Not applicable	No
G4-32	This table and Page 3	None	Not applicable	Not applicable	No
G4-33	Page 3	None	Not applicable	Not applicable	No
<b>GOVERNANCE</b>					
G4-34	Page 7	None	Not applicable	Not applicable	No
G4-35	Page 8	None	Not applicable	Not applicable	No
G4-36	Page 8	None	Not applicable	Not applicable	No
G4-37	Page 9	None	Not applicable	Not applicable	No
G4-38	Page 8	None	Not applicable	Not applicable	No
G4-39	Page 8	None	Not applicable	Not applicable	No
G4-40	Page 8	None	Not applicable	Not applicable	No
G4-41	Page 7	None	Not applicable	Not applicable	No
G4-42	Page 8	None	Not applicable	Not applicable	No
G4-43	Page 9	None	Not applicable	Not applicable	No
G4-44	Page 9	None	Not applicable	Not applicable	No
G4-45	Page 9	None	Not applicable	Not applicable	No
G4-46	Page 9	None	Not applicable	Not applicable	No
G4-47	Page 9	None	Not applicable	Not applicable	No
G4-48	Page 8	None	Not applicable	Not applicable	No
G4-49	Page 9	None	Not applicable	Not applicable	No
G4-50	All concerns communicated to the EQT or EQM Board of Directors are investigated and addressed as necessary, but neither EQT nor EQM has a formal system in place to track these critical concerns.	None	Not applicable	Not applicable	No

Disclosure Number	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
G4-51	Refer to pages 30-31 of the 2015 EQT Corporation Proxy Statement for a discussion of Director compensation, and pages 36-82, 72-75 of the Proxy Statement for a discussion of Executive Officer Compensation  EQT also has a compensation recoupment, or "clawback," policy applicable to executive officers. The policy provides that in the event the company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the U.S. securities law, the company may recoup certain compensation from covered executives who received non-equity incentive compensation, or received or realized compensation from equity awards during the covered period.	None	Not applicable	Not applicable	No
G4-52	Refer to pages 30-31 of the 2015 EQT Corporation Proxy Statement for a discussion of Director compensation, and pages 36-82, 72-75 of the Proxy Statement for a discussion of Executive Officer Compensation	None	Not applicable	Not applicable	No
G4-53	The Company has conducted a formal shareholder engagement program since 2010. Employees from the Compensation and Governance functions meet with interested shareholders to discuss performance results, the Company's pay structure, and changes to the structure from the prior year plan. Time is also devoted to answering shareholder questions and taking suggestions for changes. The results of these meetings are reviewed with the CEO, and with the Management Development and Compensation committee and the Corporate Governance committee of the Board of Directors.  Say on Pay voting results summary – FOR the proposal: <ul style="list-style-type: none"> <li>• 2015 – 98.6%</li> <li>• 2014 – 98.2%</li> <li>• 2013 – 96.9%</li> </ul>	None	Not applicable	Not applicable	No
G4-54	Not applicable	Compensation-based ratio	For confidentiality reasons, EQT does not report/disclose compensation-based ratios.	EQT does not make compensation decisions using these types of ratios.	No
G4-55	Not applicable	Compensation-based ratio	For confidentiality reasons, EQT does not report/disclose compensation-based ratios.	EQT does not make compensation decisions using these types of ratios.	No

Disclosure Number	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>ETHICS AND INTEGRITY</b>					
G4-56	Page 6	None	Not applicable	Not applicable	No
G4-57	Page 7	None	Not applicable	Not applicable	No
G4-58	Page 7	None	Not applicable	Not applicable	No

**DMA and SPECIFIC STANDARD DISCLOSURES**

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>CATEGORY: ECONOMIC</b>					
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>					
G4-DMA	Page 41	None	Not applicable	Not applicable	No
G4-EC1	Page 41	None	Not applicable	Not applicable	No
G4-EC2	Refer to EQT Form 10-K for fiscal year ended December 31, 2014	None	Not applicable	Not applicable	No
G4-EC3	EQT does not have a defined benefit plan for active employees. The legacy plan is being terminated. The plan termination should be completed by 2017.	None	Not applicable	Not applicable	No
G4-EC4	EQT receives a tax credit equal to 70% of its contributions to the PA EITC program. In 2014, this amount was approximately \$350,000.	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	Page 42	None	Not applicable	Not applicable	No
G4-EC7	Page 42	None	Not applicable	Not applicable	No
G4-EC8	Page 42	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: PROCUREMENT PRACTICES</b>					
G4-DMA	Page 44	None	Not applicable	Not applicable	No
G4-EC9	Page 45	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: RESERVES</b>					
G4-OG1	Page 42				No
<b>CATEGORY: ENVIRONMENTAL</b>					
<b>MATERIAL ASPECT: WATER</b>					
G4-DMA	Page 17	None	Not applicable	Not applicable	No
G4-EN8	Page 21	None	Not applicable	Not applicable	No
G4-EN9	Page 21	None	Not applicable	Not applicable	No
G4-EN10	Page 22	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: EMISSIONS</b>					
G4-DMA	Page 17	None	Not applicable	Not applicable	No
G4-EN15	Page 23	None	Not applicable	Not applicable	No
G4-EN16	Page 23	None	Not applicable	Not applicable	No
G4-EN17	Page 23	None	Not applicable	Not applicable	No
G4-EN18	Page 24	None	Not applicable	Not applicable	No
G4-EN19	Page 24	None	Not applicable	Not applicable	No

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
G4-EN20	Page 24	None	Not applicable	Not applicable	No
G4-EN21	Page 24	None	Not applicable	Not applicable	No

**MATERIAL ASPECT: EFFLUENTS AND WASTE**

G4-DMA	Page 17	None	Not applicable	Not applicable	No
G4-EN22	Page 25	None	Not applicable	Not applicable	No
G4-EN23	Page 26	None	Not applicable	Not applicable	No
G4-EN24	Page 23	None	Not applicable	Not applicable	No
G4-EN25	Page 26	None	Not applicable	Not applicable	No
G4-EN26	Page 26	None	Not applicable	Not applicable	No
G4-OG5	Page 25	None	Not applicable	Not applicable	No
G4-OG6	Page 27	None	Not applicable	Not applicable	No
G4-OG7	Page 26	None	Not applicable	Not applicable	No

**MATERIAL ASPECT: COMPLIANCE**

G4-DMA	Page 17	None	Not applicable	Not applicable	No
G4-EN29	Fines for seven matters totaled \$23,349. None were significant.	None	Not applicable	Not applicable	No

**MATERIAL ASPECT: TRANSPORT**

G4-DMA	Page 28	None	Not applicable	Not applicable	No
G4-EN30	Page 28	None	Not applicable	Not applicable	No

**CATEGORY: SOCIAL**

**SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK**

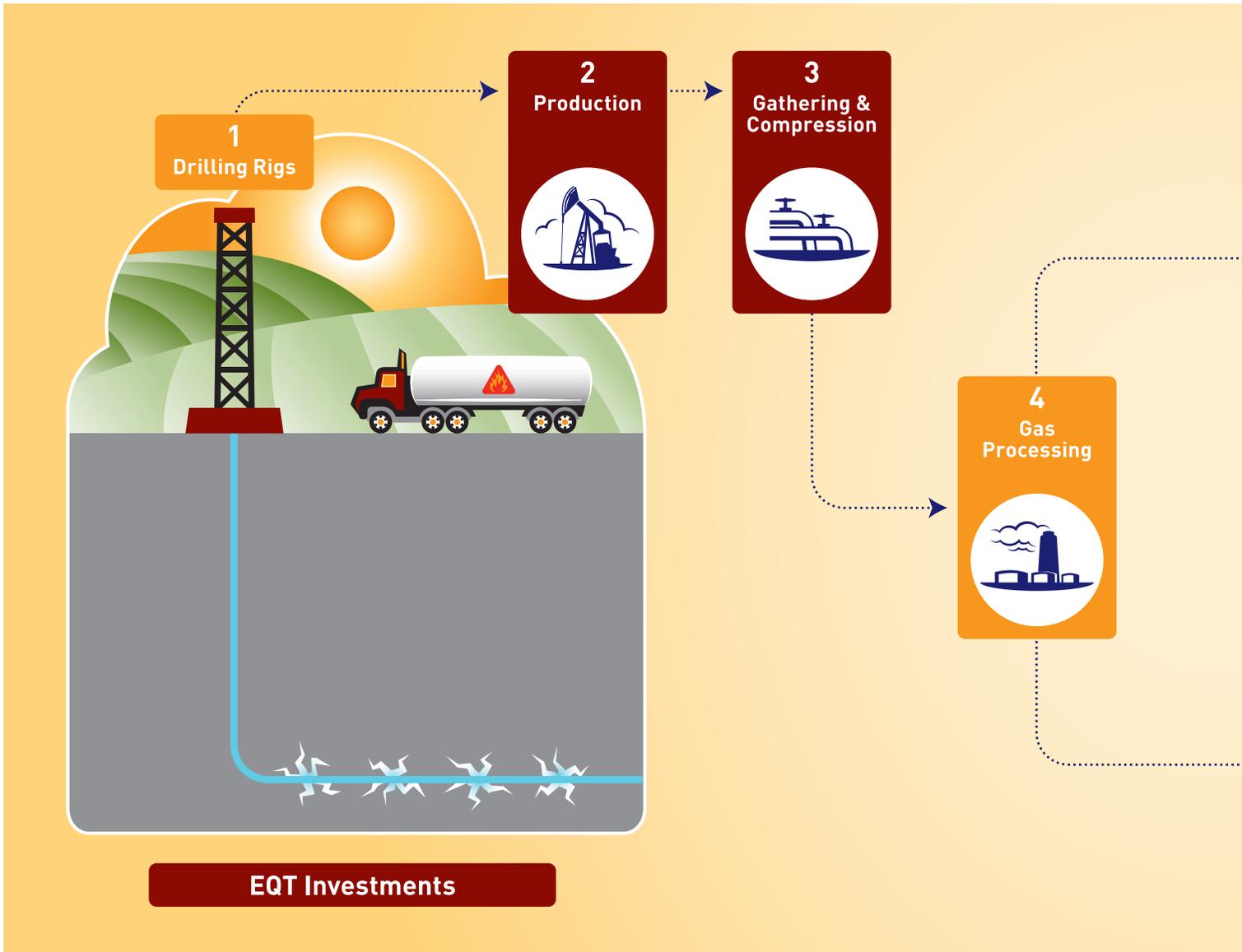
**MATERIAL ASPECT: EMPLOYMENT**

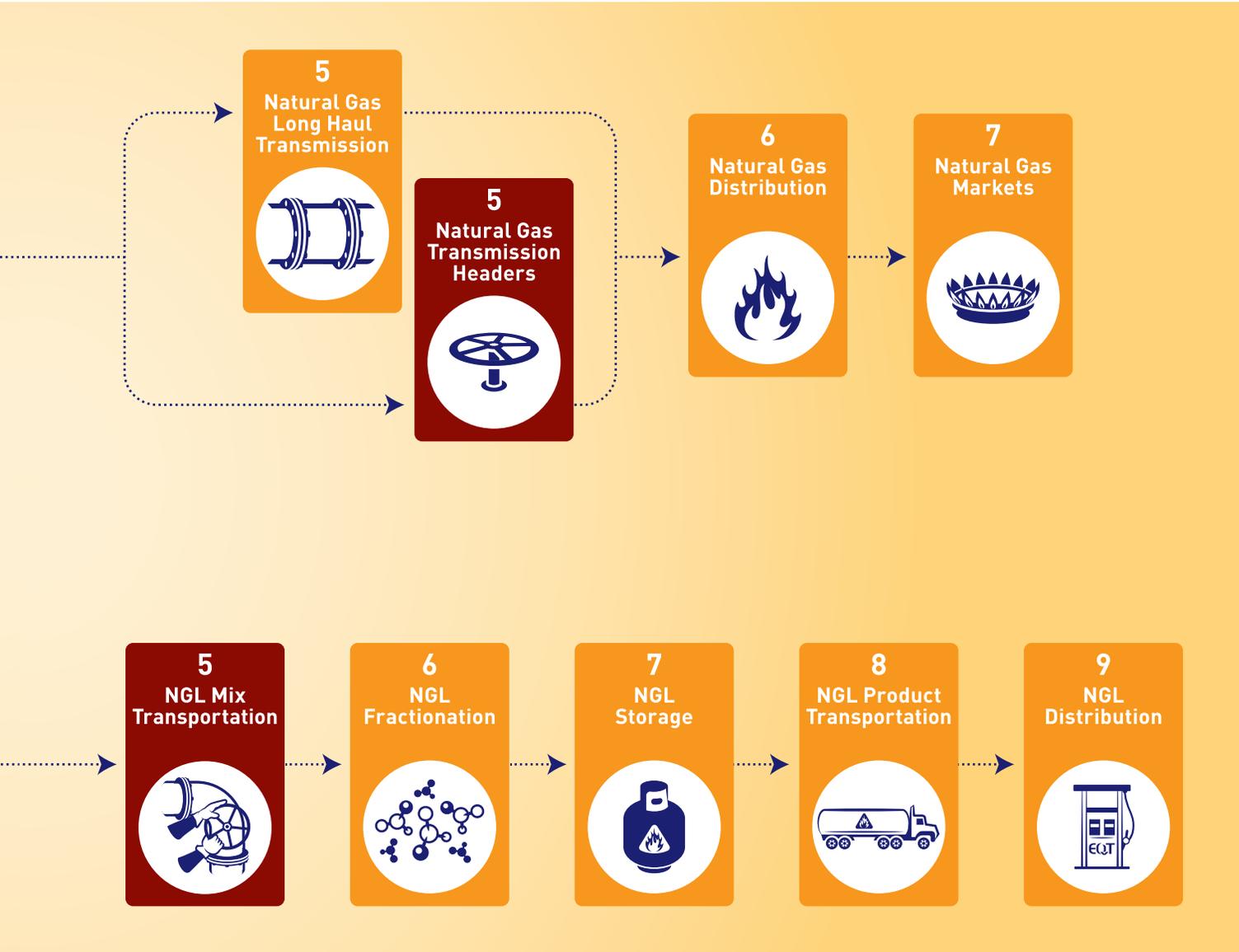
G4-DMA	Page 37 All of EQT's operations are in the United States. As a result, all work undertaken within EQT's supply chain is within an appropriate institutional and legal framework.	None	Not applicable	Not applicable	No
G4-LA1	Page 37	None	Not applicable	Not applicable	No
G4-LA2	Page 39	None	Not applicable	Not applicable	No
G4-LA3	Page 37	None	Not applicable	Not applicable	No

**MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS**

G4-DMA	Page 36	None	Not applicable	Not applicable	No
G4-LA4	EQT does not have any employees covered by a collective bargaining agreement.  EQT has not pre-determined (as a matter of policy) the minimum number of weeks of notice given in the event of significant operational changes. The length of the notice period would be determined on a case-by-case basis considering several factors that would include, but would not be limited to, the number of employees affected, the type/impact of operational change, the timeframe for implementing change, etc.	None	Not applicable	Not applicable	No

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>					
G4-DMA	Page 13	None	Not applicable	Not applicable	No
G4-LA5	EQT has no formal agreements that define specific health and safety training topics.	None	Not applicable	Not applicable	No
G4-LA6	Page 14	None	Not applicable	Not applicable	No
G4-LA7	Page 14	None	Not applicable	Not applicable	No
G4-LA8	Page 14	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>					
G4-DMA	Page 39	None	Not applicable	Not applicable	No
G4-LA9	Page 39	None	Not applicable	Not applicable	No
G4-LA10	Page 40	None	Not applicable	Not applicable	No
G4-LA11	Page 38	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>					
G4-DMA	Page 38	None	Not applicable	Not applicable	No
G4-LA12	Page 38	None	Not applicable	Not applicable	No
<b>SUB-CATEGORY: SOCIETY</b>					
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>					
G4-DMA	Page 31	None	Not applicable	Not applicable	No
G4-S01	Page 31	None	Not applicable	Not applicable	No
G4-S02	Page 31	None	Not applicable	Not applicable	No
G4-OG10	Page 33	None	Not applicable	Not applicable	No
G4-OG11	Page 33	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>					
G4-DMA	Page 40	None	Not applicable	Not applicable	No
G4-S03	Page 40	None	Not applicable	Not applicable	No
G4-S04	Page 6; Page 40	None	Not applicable	Not applicable	No
G4-S05	EQT had two confirmed incidents resulting in discipline or dismissal of employees for corruption – one for theft and the other for attempting to establish a kick back scheme.	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: PUBLIC POLICY</b>					
G4-DMA	Page 34	None	Not applicable	Not applicable	No
G4-S06	Page 36	None	Not applicable	Not applicable	No
<b>MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR</b>					
G4-DMA	Page 40	None	Not applicable	Not applicable	No
G4-S07	None	None	Not applicable	Not applicable	No





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EQT Corporation  
EQT Plaza  
625 Liberty Avenue, Suite 1700  
Pittsburgh, Pennsylvania 15222

412.553.5700  
**eqt.com**