



# Canada-Newfoundland and Labrador Benefits Annual Report 2021

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## 1.0 Introduction

Cenovus (formerly Husky Energy) has been working offshore Newfoundland and Labrador for more than 35 years. We are the operator and majority owner of the White Rose field and extensions, which are located approximately 350 km offshore Newfoundland and Labrador.

The White Rose field and extensions produce using the *SeaRose* floating, production, storage and offloading (FPSO) vessel. The original White Rose development was discovered in 1984 and first oil was in 2005. Subsequent development was added when the extension fields of White Rose came online: North Amethyst started production in 2010 and South White Rose started production in 2015.

As operator of the White Rose field, Cenovus is responsible for ensuring:

- Canada-Newfoundland and Labrador benefits principles and guidelines are applied consistently to White Rose Project business; and
- Accurate reporting of Canada-Newfoundland and Labrador content to the C-NLOPB.

This report summarizes White Rose activity for the period of January 1 to December 31, 2021 in the areas of expenditures, employment, procurement and contracting, research and development. An annual Diversity Report is provided under separate cover.

## 1.1 2021 Highlights

Every year, the health, safety, and wellbeing of the people who support operations at Cenovus is our top priority. In 2021, Cenovus completed its 16<sup>th</sup> full year of operations in the Atlantic Region at the White Rose field. The *SeaRose* FPSO remained in operation, with enhanced COVID-19 screening provisions and protective measures for workers, and produced approximately 7.3 million barrels of oil. To the end of 2021, the White Rose field and satellites have produced over 316 million barrels of oil.

In 2020, major construction on the West White Rose Project (WWRP) was suspended. While Cenovus and its partners continue to evaluate options for the project, the existing assets are being preserved through a comprehensive maintenance and preservation program. Thanks to funding from the provincial government, which was announced in 2020, construction activities continued in Marystown through 2021. Fabrication on the living quarters, lifeboat stations, helideck and flare boom was completed in August 2021 and then safely shipped to Ingleside, Texas for storage, preservation and maintenance. The work was completed safely, with the Kiewit Yard in Marystown reporting the strongest safety record in the history of the facility's operation. At the end of 2021, the project was approximately 63% complete.

In the fall of 2020, Husky and Cenovus announced their intent to form a new company; the transaction was completed in January 2021 and the final amalgamation of Husky with Cenovus was completed in December 2021. The company is now known as Cenovus, with all regulatory requirements and benefits commitments unchanged.

#### Other 2021 Atlantic Region Highlights:

- The total number employed on White Rose operations was 667; 92% of those were residents of Newfoundland and Labrador and another 5% were residents of other regions in Canada.
- Total Newfoundland and Canadian content for expenditures on the White Rose project for the period January 1 to December 31, 2021 was 93% (64% NL; 29% Other Canadian).
- Cenovus invested over \$920,000 in education and training and hired 31 co-op students (18 males and 13 females).
- In 2021, *Beothuk Spirit*, *Norse Spirit* and *Dorset Spirit* delivered 10 White Rose cargoes to the Newfoundland Transshipment Terminal at Come by Chance, NL.

## 2.0 Employment Summary

Cenovus works proactively to ensure that Newfoundland and Labrador residents and members of the local supply community are full participants in its White Rose and satellite projects.

### 2.1 White Rose Project

At the end of December (Q4) 2021, a total of 667 people were employed on Cenovus' White Rose operations, of which 245 were located offshore. The total number includes people employed with Cenovus and its contractors and includes North Amethyst and South White Rose Extension. The offshore number for this reporting period includes personnel from *SeaRose* FPSO, support vessels, helicopters and tankers.

Of the total personnel, 616, or 92%, were residents of Newfoundland and Labrador when hired, while another 38, or 5%, were residents of other regions of Canada at the time of hire. The number of women employed on White Rose operations was 145, or approximately 21%, of the total workforce (Table 2.1).

Employment for the WWRP is reported separately in Cenovus' quarterly benefits reports.

**Table 2.1 - Employment Summary by Location, as of December 31, 2021– White Rose**

### Atlantic Region Contractor Stats

#### Head Count By Location

White Rose - Q4 2021

Location	NL Male	NLFemale	NL Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Foreign	0	0	0	0	0	0	10	3	13	10	3	13
Newfoundland - Offshore	226	9	235	10	0	10	0	0	0	236	9	245
Newfoundland - Onshore	255	126	381	21	7	28	0	0	0	276	133	409
Other Canadian	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>481</b>	<b>135</b>	<b>616</b>	<b>31</b>	<b>7</b>	<b>38</b>	<b>10</b>	<b>3</b>	<b>13</b>	<b>522</b>	<b>145</b>	<b>667</b>

**Table 2.2 Employment Summary by Occupation, as of December 31, 2021– White Rose**

### Atlantic Region Contractor Stats

#### Head Count By Occupation

White Rose - Q4 2021

Occupation	NL Male	NLFemale	NL Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Administration & Clerical	3	20	23	0	0	0	0	1	1	3	21	24
Engineers	82	32	114	7	4	11	2	1	3	91	37	128
Management	41	13	54	1	0	1	2	1	3	44	14	58
Marine Crew	108	6	114	3	0	3	0	0	0	111	6	117
Other Field Services	28	5	33	7	0	7	0	0	0	35	5	40
Professionals	92	52	144	9	3	12	0	0	0	101	55	156
Skilled Trades	36	0	36	0	0	0	0	0	0	36	0	36
Technicians & Technologists	91	7	98	4	0	4	6	0	6	101	7	108
<b>Total</b>	<b>481</b>	<b>135</b>	<b>616</b>	<b>31</b>	<b>7</b>	<b>38</b>	<b>10</b>	<b>3</b>	<b>13</b>	<b>522</b>	<b>145</b>	<b>667</b>

### 3.0 Canadian-NL Content Estimates

#### 3.1 Expenditures Summary

Of the expenditures made in 2021 in support of the White Rose Project, 93% was Canadian content. Table 3.1 below provides more detail of the Canada-NL content of White Rose expenditures.

**Table 3.1. Canada-NL Content Estimates**

<b>Canadian-NL Content Estimates White Rose Project (2021)</b>			
Reporting Period	Content		
	Newfoundland and Labrador (%)	Other Canadian (%)	Foreign (%)
<b>Q4 2021</b>	<b>56</b>	<b>22</b>	<b>21</b>
<b>2021 Year</b>	<b>64</b>	<b>29</b>	<b>5</b>
<b>Project Cumulative</b>	<b>52</b>	<b>21</b>	<b>27</b>

## 4.0 Procurement

Cenovus ensures procurement and business opportunities are shared broadly to provide local companies full and fair opportunity to participate in the supply of goods and services. Opportunities are posted on the Cenovus and WWRP websites where Cenovus procurement opportunities are identified and links to contractor procurement websites are available. Cenovus also regularly posts procurement opportunities with NOIA.

During 2021, a total of 24 new contracts and 5 contract extensions, that were each valued at more than \$250,000, were awarded. Tables 4.1 and 4.2 provide a summary of these contracts.

**Table 4.1 Summary of New Contracts Awarded in 2021 Valued at >\$250,000**

<b>2021 New Contract Summary</b>		
<b>Description</b>	<b>Contract Awarded To</b>	<b>Contractor Location</b>
1. Full Field OEM Lubricants	Blue Water Newfoundland Ltd.	NL
2. Hydraulic Equipment and Services	Hyflodraulic Ltd.	NL
3. Training Services	Puglisevich Crews & Services Ltd.	NL
4. WWRP OEM Drilling Construction & Installation Support	MHWirth LLC	FC
5. WWRP OEM Vendor Support for Well Control System	Hydril PCB Canada Inc.	OC
6. WWRP OEM Vendor Support for Well Control System	Hydril USA Distribution LLC.	FC
7. SeaRose Turret Engineering Support & Inspection Services	IMODCO Services S. A.	FC
8. Offshore Supply Vessel (Ad hoc)—Atlantic Kingfisher	Atlantic Towing Limited	NL
9. Offshore Catering Services	East Coast Catering	NL
10. Decommissioning Planning Support for the White Rose Field	Wood Group Canada	NL
11. Supply of General Consumables	Vallen Canada Limited	NL
12. Supply of General Consumables	Stellar Industrial Sales (1999) Limited	NL
13. Supply of General Consumables	Rideout Tool & Machine Inc.	NL
14. Provision of Offshore Inspection Services	SNC-Lavalin Industrial Atlantic Inc.	NL

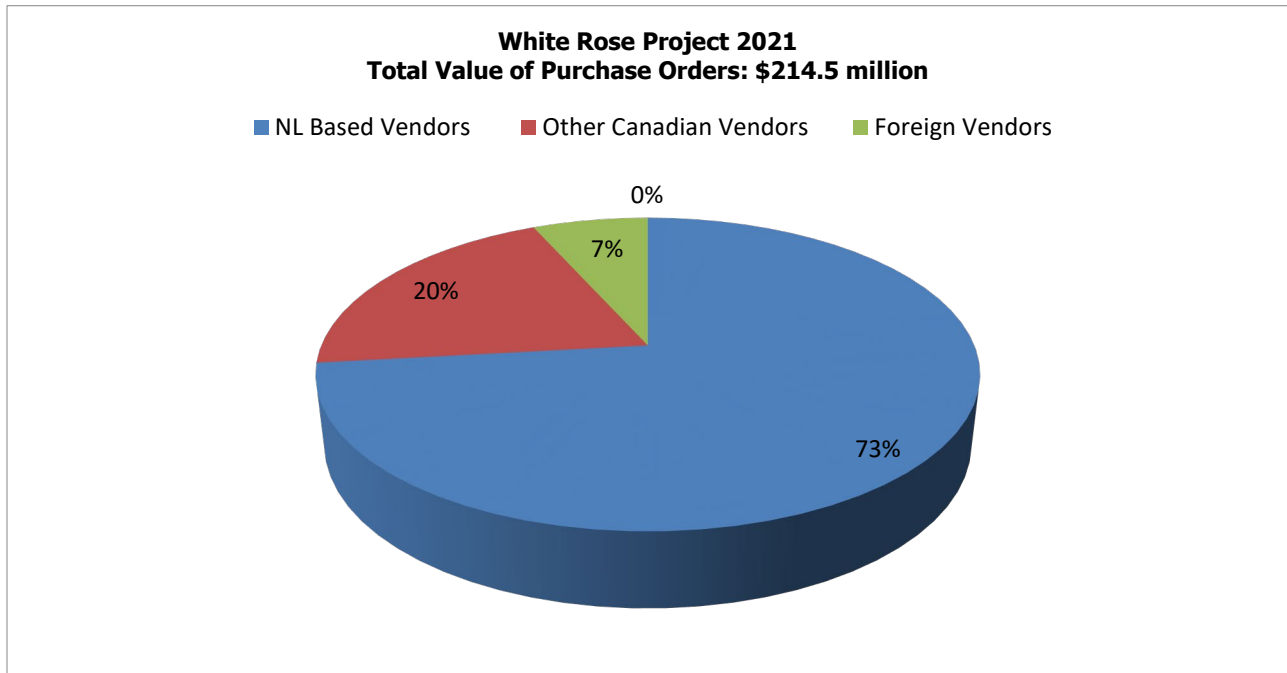
15. Preventative Maintenance of Fall Arrest Systems for FPSO Cranes	Tritech Fall Protection Systems Ltd.	OC
16. Offshore Specialized Services	TISI Canada Inc. O/A Team Industrial Services	OC
17. Provision of PCHE HP Suction Core/Discharge Core	Heatric UK Ltd.	FC
18. Supply of Swagelok, Hose & Fittings Materials	Atlantic Hose & Fittings Ltd.	NL
19. Supply of Marine Chemical	Campbell's Ship Supplies	NL
20. Supply of Laboratory Commodities	Mikan Scientific Limited	NL
21. WWRP VSA for Rig Skidding Systems	Bardex Corporation	FC
22. Offshore Support Vessel - Turnaround Support	Maersk Supply Service Canada	NL
23. Subsea Cleaning, Inspection and Measurement Services	Welaptega Marine Limited	OC
24. Supply of Laboratory Commodities	Enviromed Analytical Inc.	NL
NL=Newfoundland and Labrador OC=Other Canadian FC= Foreign		

**Table 4.2 2021 Summary of Contract Extensions Awarded in 2021 Valued at >\$250,000**

<b>2021 Contract Extension Summary</b>		
Description	Contract Awarded To	Contractor Location
1. Supply of Offshore Analyzer Services	Atlantic Controls Laurentide Controls Ltd.	OC
2. Supply of Software License and Support	Triware Technologies Inc.	NL
3. Provision of Subsea IMR Services	TechnipFMC Canada Ltd.	NL
4. Flow Profiling Technology Services	Tracerco Radioactive Diagnostics	OC
5. Supply of Offshore Cooler Equipment	Maynard Reece Engineering Solutions Ltd.	OC
NL=Newfoundland and Labrador OC=Other Canadian FC= Foreign		



In addition, in 2021 Cenovus awarded 5058 purchase orders for the White Rose Project valued at \$214,516,114. Ninety-three per cent of the total value was awarded to Canadian companies.



## 5.0 Research and Development & Technology Transfer

Cenovus considers investments to develop Newfoundland and Labrador’s technological, industrial and economic capacity to be strategic to the industry’s sustainable growth. Developing the technologies that can support improvements in safety, performance, and productivity for the Grand Banks environment is key to supporting future activity in the region.

### 5.1 R&D Projects

A number of Cenovus directed or sponsored R&D initiatives noted in the 2020 Annual Benefits Report continued into 2021, including:

#### C-CORE

- **Glacial Ice Impact Loads on Floaters JIP** - The overall goal of the project is to increase confidence in procedures for estimating actions and action effects due to iceberg impacts with a moored, floating platform.

## Memorial University of Newfoundland

- **NSERC/Husky Industrial Research Chair for Safety at Sea.** This position at the Faculty of Engineering and Applied Science promotes the development of simulation technologies to improve operational safety leading to a more robust, inherent safe design, of offshore facilities.
- **Harsh Environment Research Facility.** A world-class facility that will strengthen the region's infrastructure and expertise in technologies operating in harsh environments, such as the ocean, energy, shipping, and aerospace sectors.
- **Modelling of Corrosion Under Insulation (CUI).** This research evaluated CUI in harsh marine field conditions, developed an accelerated laboratory test procedure to simulate CUI, developed a model of CUI rate, and developed a risk-based remaining life assessment model for assets under CUI attack. The work will help improve safety and increase production yields.

## Energy Research & Innovation Newfoundland and Labrador (ERINL)

As a member of ERINL, Cenovus is providing baseline support to the organization to advance local R&D and is also participating in a number of projects, through Joint Industry Projects with other operators. As well, Cenovus is progressing sustainability projects through the Emission Reduction Fund.

## Joint Industry Projects

- **Flowline Protection Requirements for Extended Tiebacks** – The goal of this project is to develop a flowline failure model that considers probability of iceberg contact and the consequences associated with some level of damage (i.e. limit state) without loss of containment – consistent with other offshore structure design practice. This project could impact future (and marginal) developments by increasing subsea tieback lengths without trenching flowlines, which may be cost prohibitive for smaller fields.
- **Shuttle Tanker Operations Competency Assurance Program** - The goals of this project are to increase simulation capability to allow for the training of specialized shuttle tanker operations through implementation of state-of-the-art technology, develop new training and accreditation programs for ship personnel, including pilots and other support vessels, establish a new Offshore Dynamic Positioning certification program, and provide a technology environment that will further the development of applied research programs, especially related to ice management, harsh environment simulation, and digitalization.
- **Digital Offshore Canada (DOC)** - The goal of the Digital Offshore Canada (DOC) project is to research and develop a shared platform that could enable the creation and commercialization of digital twins and other digital products and services for a range of ocean industries across the full project life-cycle: concept development, engineering and rapid prototyping, technology demonstration and validation, optimization of operations, operational planning and training, predictive modelling and maintenance.

Through baseline support from members like Cenovus, ERINL is also advancing the following projects:

- An Integrated Approach to Digital Oilfield Education
- X-Band Radar Oil Spill Detection
- Advance Satellite Observations for Oil Spill Response
- Ocean Supercluster Ecosystem Development
- Digital Innovation Strategy

ERINL is also administering the Emission Reduction Fund. Through this fund, Cenovus is participating in:

- **Flare Gas Optimization** - The proposed study will examine the feasibility of employing new processes and technologies to reduce greenhouse gas (GHG) emissions on the FPSO that would modernize the existing design capabilities.
- **Main Power Generation optimization** - This study will identify the necessary modifications to increase the energy efficiency of the *SeaRose* power generation system with a target of reliably operating with two main power generators.

## 6.0 Education and Training

Investing in education and training remains a key priority for Cenovus for the benefits it brings to its workforce and operations, and the contribution it makes to developing the local offshore industry.

In 2021, Cenovus and its contractors invested more than \$1 million in education and training. Highlights include:

- Cenovus continued its strong commitment to co-operative education programs by hiring 31 students (18 men and 13 women), despite continued challenges presented by COVID-19. Students were hired from a variety of disciplines from Memorial University and College of the North Atlantic. In 2021, total expenditure on co-operative education by Cenovus was over \$617,000.
- Despite a challenging year, Cenovus’s contractors continued to support education and training for students and employees. For example,
  - Contractors spent approximately \$100,000 on work-term students and cadets.
  - Multiple contractors invested in mental health first aid training for employees.

## 6.1 Community-Based Education and Training

In 2021, Cenovus continued its commitment to increasing access to education and training opportunities in the community.

We recommitted to the Future Leaders Award program at Marine Institute. This experiential learning award for Nautical Science students provides recipients with financial assistance while on campus and also supports the cadet's sea phase portion of their program.

Throughout the year, Cenovus focused its efforts on preserving relationships with key community partners and many of our 2021 contributions were payments under existing agreements that were previously announced including:

- \$120,000 to support the Cenovus Centre of Excellence in Sales and Supply Chain Management at Memorial University's Faculty of Business Administration;
- \$60,000 to support the delivery of the CNIB's Eye Safety Program;
- \$25,000 to support WRDC launch their virtual STEM for Girls programming;
- \$25,000 to support the Horticultural Therapy Program at Stella's Circle;
- \$20,000 to support the Nature Conservancy of Canada's Conservation Internship program in NL;
- \$15,000 to support the summer student employment program through WISE-NL;
- \$15,000 to support the Eastern Region Science and Technology Fair. New in 2021, Cenovus provided an additional \$2,500 to support an Indigenous STEM scholarship;
- \$2,875 to support diversity scholarships as part of NOIA's annual conference (new in 2021);
- \$2,500 to support the Eating Disorder Foundation's educational programs; and
- \$1,000 to support the TedXHaboursidePark Creating Space Forum.

## 6.2 Other Community Support

In addition to the education-focused investments noted above, Cenovus also supported other local organizations\* including:

- \$15,000 to the Jimmy Pratt Memorial Outreach Centre to support their breakfast program;
- \$10,000 to Choices for Youth to support their youth outreach programs;
- \$10,000 to support food banks—\$7,000 to the Community Food Sharing Association and \$3,000 to the Placentia Area Food Bank;
- \$10,000 to Young Adult Cancer Canada’s Shave for the Brave; and
- \$5,000 to First Light NL for their painted piano project.

In addition to corporate community investments, Atlantic Region employees used the Cenovus Gives platform to contribute to 143 causes. Employees contributed \$32,552 and Cenovus matched that with \$33,577 for a total contribution of \$66,129. Additionally, employees donated \$21,805 to causes that mattered to them through other Cenovus employee rewards. Employees were also eligible to receive grants in recognition of their volunteer service and through this channel, individuals contributed a further \$9,265. In total, Cenovus employees used the internal Cenovus Cares platform to contribute more than \$98,000 to local organizations.

\*The amounts noted in Section 6.2 are not included in E&T spend.

## 7.0 Diversity

In 2021, Cenovus continued to progress against its diversity commitments and a report on Cenovus’ White Rose Diversity Plan will be submitted under separate cover.



## 8.0 Photographs

The photos below highlight some of the ways Cenovus supported the community in 2021 (Note: Photos were taken throughout the year and reflect public health guidelines at the time).



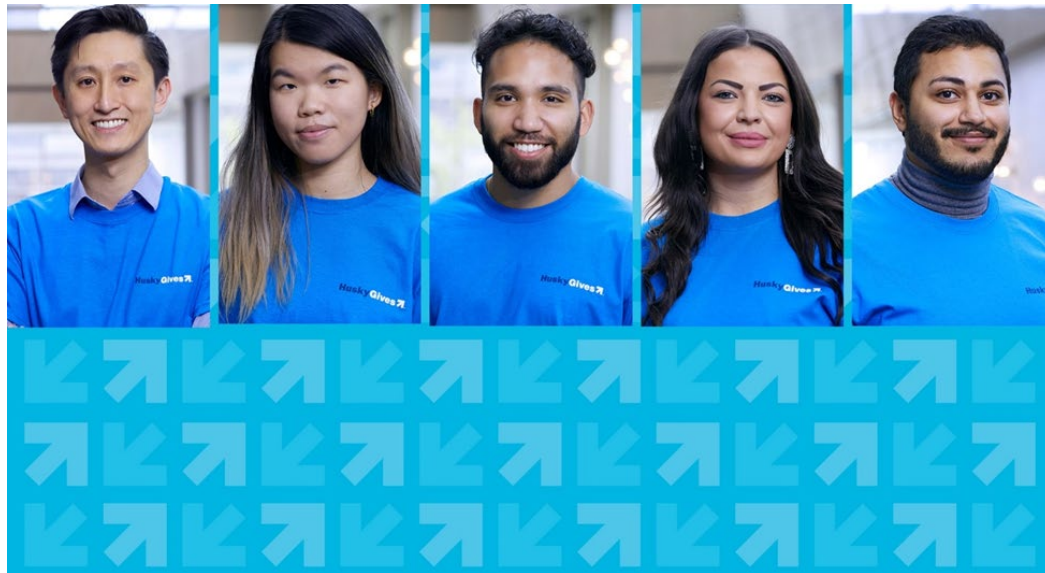
Cenovus recommitted to the Future Leaders Award at Marine Institute, supporting two Nautical Science students with a financial award and work experience.



In 2021, the Nature Conservancy of Canada hosted Gabrielle Riefesel as their Cenovus intern. Pictured above Gabrielle doing “learn to bird” outreach to students of Belanger Memorial in the Codroy Valley and Gabrielle setting up acoustic monitoring device on the Black Ash Nature Reserve.



Cenovus supported the Jimmy Pratt Memorial Outreach Centre with a \$15,000 contribution to their breakfast program. In addition, Cenovus employees volunteer each week to prepare the meals.



Through the Cenovus Gives platform, employees contributed more than \$98,000 to local organizations in 2021.