



Canada-Newfoundland and Labrador Benefits Annual Report 2022

Cenovus Ref. No.: WR-ADM-RP-0084



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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 adheres to its Benefits Plan and 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 and West White Rose activity for the period of January 1 to December 31, 2022 in the areas of expenditures, employment, procurement, research and development, education and training. An annual Diversity Report is provided under separate cover.

2022 Highlights

Every year, the health and safety of the people who support Cenovus is our top priority; it's the foundation of our operation. In 2022, Cenovus completed its 17th full year of production operations in the Atlantic Region at the White Rose field and the *SeaRose* FPSO produced approximately 6.6 million barrels of oil. Other 2022 Atlantic Region highlights include:

- Seven hundred sixty-one people were employed on White Rose operations; 94% of those were residents of Newfoundland and Labrador and another 4.5% 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, 2022 was 68% (51% NL; 17% Other Canadian).
- Cenovus invested approximately \$4.4 million in research and development and education and training and hired 61 co-op students.
- In 2022, Beothuk Spirit, Norse Spirit, Dorset Spirit and Altera Thule transported White Rose crude. A total of 9.5 White Rose cargoes were completed and 100% were delivered to the Newfoundland Transshipment Terminal at Come by Chance, Placentia Bay, 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

In Q4 2022, a total of 761 people were employed on Cenovus' White Rose operations, of which 277 were located offshore. The number includes people employed with Cenovus and its contractors and includes North Amethyst and South White Rose Extension (SWRX). The offshore number for this reporting period includes personnel from SeaRose FPSO, support vessels, helicopters and tankers.

Of the total personnel, 714, or 94%, were residents of Newfoundland and Labrador when hired, while another 35, or 5%, were residents of other regions of Canada at the time of hire. The number of women employed on White Rose operations was 172, or approximately 23% of the total workforce (Table 2.1).

Employment for the WWRP is reported separately in Section 2.2.

Table 2.1 - Employment Summary by Location, as of December 31, 2022– White Rose

Atlantic Region Contractor Stats Head Count By Location White Rose - Q4 2022

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	2	0	2	2	0	2
Newfoundland - Offshore	247	7	254	13	0	13	8	2	10	268	9	277
Newfoundland - Onshore	302	158	460	17	5	22	0	0	0	319	163	482
Other Canadian	0	0	0	0	0	0	0	0	0	0	0	0
Total	549	165	714	30	5	35	10	2	12	589	172	761

Table 2.2 Employment Summary of Cenovus and Major Contractors by Occupation, as of December 31, 2022– White Rose

Atlantic Region Contractor Stats

Head Count By Occupation

White Rose - Q4 2022

Occupation	NL Male	NL Female	NL Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Administration	0	2	2	0	0	0	0	0	0	0	2	2
Administration & Clerical	5	23	28	1	1	2	0	1	1	6	25	31
Engineers	105	44	149	5	2	7	0	0	0	110	46	156
Management	43	15	58	2	0	2	0	0	0	45	15	60
Marine Crew	110	6	116	4	0	4	8	0	8	122	6	128
Other Field Services	27	6	33	7	0	7	0	0	0	34	6	40
Professionals	107	60	167	5	2	7	1	1	2	113	63	176
Skilled Trades	33	0	33	0	0	0	0	0	0	33	0	33
Technicians & Technologists	119	9	128	6	0	6	1	0	1	126	9	135
Total	549	165	714	30	5	35	10	2	12	589	172	761

2.2 West White Rose Project

Following a two-year suspension period, Cenovus and its partners announced the restart of the West White Rose Project (WWRP) on May 31, 2022. Activity across the project team began to ramp up modestly in the second half of the year, with activity expected to increase further late in Q1 2023.

As of December 31, 2022, 670 people were reported employed on this project, representing more than 426,000 person hours. Of those hours, 176,467, or 41%, occurred in Newfoundland and Labrador (Table 2.5). The number of women employed on the WWRP was 80, or approximately 12% of the total workforce (Table 2.3).

Table 2.3 Headcount by Location, as of December 31, 2022 – West White Rose Project

Atlantic Region Contractor Stats

Head Count By Location

West White Rose Project - Q4 2022

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	2	0	2	0	0	0	276	15	291	278	15	293
Newfoundland - Onshore	299	60	359	4	5	9	6	0	6	309	65	374
Other Canadian	0	0	0	3	0	3	0	0	0	3	0	3
Total	301	60	361	7	5	12	282	15	297	590	80	670

Table 2.4 Headcount by Occupation, as of December 31, 2022 – West White Rose Project

Atlantic Region Contractor Stats

Head Count By Occupation

West White Rose Project - Q4 2022

Occupation	NL Male	NL Female	NL Subtotal	Other Canadian Male	Other Canadian Female	Other Canadian Subtotal	Foreign Male	Foreign Female	Foreign Subtotal	Male Subtotal	Female Subtotal	Total
Administration	0	2	2	0	1	1	0	0	0	0	3	3
Administration & Clerical	0	2	2	0	0	0	0	2	2	0	4	4
Engineers	33	6	39	2	0	2	9	1	10	44	7	51
Management	48	5	53	1	0	1	1	0	1	50	5	55
Other Field Services	29	5	34	0	0	0	0	0	0	29	5	34
Professionals	26	23	49	1	4	5	4	0	4	31	27	58
Skilled Trades	140	13	153	0	0	0	238	9	247	378	22	400
Technicians & Technologists	25	4	29	3	0	3	30	3	33	58	7	65
Total	301	60	361	7	5	12	282	15	297	590	80	670

The head count shown in the tables above is a snapshot of personnel who have charged hours to the WWRP as of December 31, 2022 and does not necessarily represent full time employees.

Table 2.5 Hours by Occupation, as of December 31, 2022 – West White Rose Project

Atlantic Region Contractor Stats

Hours By Occupation

West White Rose Project - Q4 2022

Occupation	Onshore	Offshore	Subtotal	Other Canadian	Foreign	Total
Administration	284	0	284	288	0	572
Administration & Clerical	1,313	0	1,313	7	1,290	2,610
Engineers	21,370	0	21,370	516	4,976	26,862
Management	34,127	0	34,127	163	1,056	35,346
Other Field Services	22,998	0	22,998	0	0	22,998
Professionals	29,972	0	29,972	1,371	834	32,177
Skilled Trades	118,589	0	118,589	0	148,000	266,589
Technicians & Technologists	17,698	0	17,698	1,544	20,311	39,553
Total	246,351	0	246,351	3,889	176,467	426,707

3.0 Canadian-NL Content and Expenditures

The table below summarizes the 2022 data contained in the individual reports for the following work scopes: White Rose Project, North Amethyst Project, Exploration, West White Rose Pilot, South White Rose Extension, and West White Rose Project. Overall, the total expenditure to date for Cenovus' Atlantic Region activities (White Rose and West White Rose) is approximately \$15.7 billion (Table 3.1). Of this amount, 72% is Canadian content: 52% NL content and 20% Other Canadian.

Table 3.1 Expenditure Report Summary Total to Date

CDN-NL Benefits Expenditure Report Summary Total to Date as at December 31, 2022 All Amounts are in CDN Equivalent Dollars (Totals excluding Accruals)									
Reporting Period	Total Being Reported	Summary of Project Expenditures As a Percentage of Total Cost				Summary of Project Expenditures Dollar Values			
		NL	Other CDN	FOR	Total	NL	Other CDN	Foreign	Total
Q4 2022									
White Rose Project	8,798,855,664	53.77%	21.38%	24.85%	100.00%	4,730,946,439	1,881,539,662	2,186,369,563	8,798,855,664
North Amethyst Project	1,874,316,103	56.63%	25.61%	17.76%	100.00%	1,061,514,718	479,971,794	332,829,590	1,874,316,103
Exploration	620,900,109	47.02%	36.10%	16.88%	100.00%	291,945,521	224,134,334	104,820,255	620,900,109
West White Rose Pilot	221,324,680	60.39%	24.29%	15.32%	100.00%	133,662,409	53,754,967	33,907,304	221,324,680
South White Rose Extension	1,224,242,644	66.63%	11.24%	22.13%	100.00%	815,705,663	137,564,518	270,972,463	1,224,242,644
West White Rose Project	2,997,887,710	37.09%	16.64%	46.27%	100.00%	1,112,050,682	498,838,748	1,386,998,280	2,997,887,710
Total to Date as at December 31, 2022	15,737,526,910	51.76%	20.82%	27.42%	100.00%	\$8,145,825,432	\$3,275,804,023	\$4,315,897,455	\$15,737,526,910

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 website where Cenovus procurement opportunities are identified and links to contractor procurement websites are available. Cenovus also regularly posts procurement opportunities with Energy NL. During 2022, a total of 19 new contracts and 24 contract extensions, that were each valued at more than \$250,000, were awarded. Tables 4.1 and 4.2 summarize this activity.

Table 4.1 New Contract Summary for 2022

2022 New Contract Summary		
Description	Contract Awarded To	Contractor Location
1. Technical and Engineering Support Services	Maderra Engineering Inc	NL
2. Offshore Pipe Inspection and Maintenance	Afonso Group Ltd.	NL
3. Fabrication Services	GJ Cahill Group (1979) Ltd.	NL
4. Digital Offshore Canada Project	Energy Research & Innovation NL	NL
5. Supply of SeaRose Replacement Cranes	Liebherr—MCCTEC Rostock GMBH	FC
6. Turbine Maintenance Services (Long Term Service Agreement)	Siemens Energy Canada Ltd.	OC
7. WWRP Engineering Support Services for ICSS, PDM & IMS	Siemens Energy Canada Ltd.	OC
8. WWRP Installation and Commissioning of the Integrated Control & Safety Systems (ICSS)	Siemens Energy Inc	FC
9. ALE Turret Disconnect & Reconnect Support Services	Pennecon Hydraulic Systems Ltd.	NL
10. WWRP OEM Vendor Support Main Power Generators	Siemens Energy Inc.	FC
11. Oil and Gas Metering Services	SGS Canada Inc.	NL
12. Gearbox Maintenance Management Services	Pennecon Technical Services Ltd.	NL
13. Leak Testing and Purging Services	IKM Testing (Canada) Ltd.	NL
14. Flow Profiling Technology & Equipment Services	Tracerco Radioactive Diagnostics Services Canada Inc.	OC
15. Provision of emission.AI Software License &	Operational Excellence (OPEX)	FC

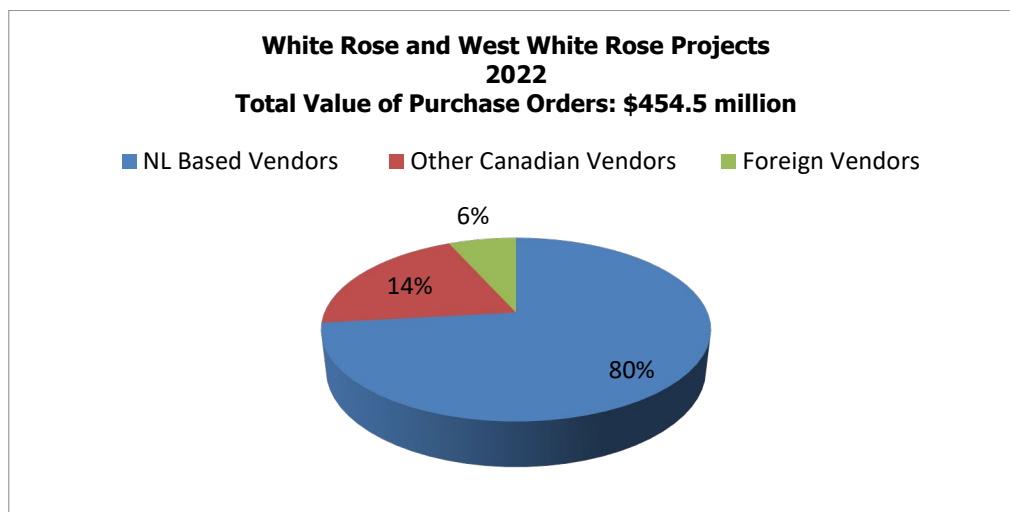
Support	Group Ltd.	
16. Offshore Supply Vessel - Vinland Backfill	Atlantic Towing Limited	NL
17. Offshore Support Vessel - 2022 Ice Management	Maersk Supply Service Canada	NL
18. Offshore Waste Management Services	GFL Environmental Services Inc.	NL
19. Subsea Inspection, Maintenance, Repair and Support Services	DOF Subsea Canada Corp.	NL
NL=Newfoundland and Labrador OC=Other Canadian FC= Foreign		

Table 4.2 Contract Extension Summary for 2022

2022 Contract Extension Summary		
Description	Contract Awarded To	Contractor Location
1. Full Field Excitation Systems Management Services	ABB Inc.	OC
2. Helicopter Passenger Suits and Management	DBC Marine	NL
3. Lifeboat Simulator Training, Support & Maintenance	Virtual Marine Technology Inc.	NL
4. Oil Spill Response Preparedness Funding Agreement	Eastern Canada Response Corporation Ltd.	NL
5. Subsea Engineering Services	Frontier Subsea	NL
6. Ad hoc Fabrication Services	Rothlochston Subsea Inc.	NL
7. Provision of Offshore Satellite Service	RigNet (CAD) Inc.	FC
8. Provision of Production Chemicals and Related Services	Baker Hughes Canada	NL
9. WWRP OEM Vendor Support for Hypochlorite Package	H2O LLC	FC
10. WWRP Contracts Management System	Aveva Canada	OC
11. Weather Forecasting & Oceanographic Services	Oceans Ltd.	NL

12. Helicopter Passenger Suits and Management	DBC Marine	NL
13. WWRP Operating Procedures Development	Wood Canada Ltd.	OC
14. Provision of NetApp FAS 8040 Controller Upgrade and Support	Open Storage Solutions Inc.	NL
15. General Engineering and Related Services	Hatch Ltd.	NL
16. FPSO Benchmarking Consulting Services	McKinsey & Company Inc. United States	FC
17. Valve Maintenance & Services	Score (Canada) Ltd.	NL
18. OEM Emergency Generator and Fire Pump Maintenance	Toromont Cat	NL
19. Ad-Hoc Fabrication Services	Rothlockston Subsea Inc.	NL
20. Provision of Marine Welding Services	D.F. Barnes Services Ltd.	NL
21. Offshore Medical Services	Atlantic Offshore Medical Services	NL
22. Subsea Equipment Inspection Services	Bureau Veritas North America Inc.	FC
23. Freight Forwarding, Customs Clearance, & Ships Agency Services	P.F. Collins Custom Broker Ltd.	NL
24. Software Licenses and Support	Triware Technologies Inc.	NL

In addition, in 2022 Cenovus awarded 5,041 purchase orders for the White Rose and West White Rose Projects valued at \$454.5 million and 94% of that total value was awarded to Canadian companies.



4.0 Research and Development & Technology Transfer

Cenovus considers investing in technologies that can support improvements in safety, sustainability, performance, and productivity for the offshore environment key to supporting future activity in the region. Again, in 2022 Cenovus progressed projects, both internally and through third party organizations such as C-CORE, Memorial University, and ERINL. A summary of the projects is provided below.

R&D Projects

Cenovus

- **Alternative Wellheads** – The goal of this project is to understand the application of a standalone subsea tree (“Christmas tree” or XMT) as a safe alternative technology concept to be used in place of excavated drill centers for the mitigation of iceberg risk in the subsea development of petroleum resources.
- **ROV Seabed Survey** – The goal of this survey was to examine drilled geotechnical boreholes to determine if gas bubbles were rising from the seabed leading to the disturbance of the shallowest buried sediments and potential enhanced migration pathway for low-volume methane or heavier gases to the seabed.
- **Environmental Effects Monitoring** – The goal of this program is to provide the primary means to determine, quantify, and evaluate project-induced change in the surrounding environment to assist in identifying appropriate modifications or mitigations of project activities or discharges.
- **Bull Arm Drydocking Study**– The goal of this study was to investigate the potential of drydocking the *SeaRose* FPSO in Bull Arm using a heavy transport vessel.
- **Alternative Drydocking Method Study** – The goal of this study was to evaluate an alternative method to drydocking and investigate the management of the *SeaRose* drydocking program using a float-on/ float-off approach at a local quayside facility.
- **WWRP Flowline Iceberg Contact Rate Update** – The goal of this project was to evaluate free-floating and furrowing iceberg contact rates for flowline routes and determine the distance the hold-back can be moved from the Central Drill Centre while satisfying the contact criterion.

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.

Energy Research & Innovation Newfoundland and Labrador (ERINL)

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

- **Baseline scopes** - Through baseline support from members like Cenovus, ERINL is advancing the following projects:
 - An Integrated Approach to Digital Oilfield Education
 - X-Band Radar Oil Spill Detection
 - Ocean Supercluster Ecosystem Development
 - Crisis Intervention and Operability Analysis
 - Open Offshore
- **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 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 Oceans Canada (DOC), formerly known as Digital Offshore Canada** - The goal of this 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.

Cenovus also completed studies related to sustainability through the ERINL administered Emission Reduction Fund:

- **Flare Gas Optimization** - The study examined 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 identified 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.

5.0 Education and Training

In 2022, Cenovus and its contractors invested more than \$1.9 million in education and training. Highlights include:

- Cenovus continued its strong commitment to co-operative education programs by hiring 61 students. Students were hired from a variety of disciplines from Memorial University and College of the North Atlantic. In 2022, total expenditure on co-operative education by Cenovus was over \$1,330,000.
- Despite a challenging year, Cenovus' contractors continued to support education and training for students and employees. Most notably, contractors spent approximately \$130,000 on work-term students and cadets.

Community-Based Education and Training

In 2022, Cenovus continued its commitment to increasing access to education and training opportunities in the community. In the Atlantic Region, Cenovus focused its efforts on key community partners who deliver quality educational programming and share an interest in building a more inclusive community. Highlights include:

- Continued 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;
- Cenovus committed \$160,000 to The Rooms to create seven "Celebrating Diversity Through Identity" EduKits. The kits will support teachers across the province who have expressed a need for material about authentic experiences pertaining to cultural diversity specific to Newfoundland and Labrador. \$100,000 was paid in 2022;
- \$40,000 to support the Nature Conservancy of Canada's Conservation Internship program in NL;
- \$25,000 to support WRDC's STEM for Girls programming;

- \$15,000 to support the summer student employment program through WISE-NL; plus \$1500 to support an Indigenous Youth Gathering;
- \$15,000 to support the Eastern Region Science and Technology Fair, plus an additional \$2,500 to support an Indigenous STEM scholarship;
- Cenovus provided \$10,000 to Business and ArtsNL to support the professional development of unconscious bias training modules;
- Cenovus provided \$2875 to EnergyNL to enable members from equity-seeking groups attend the annual conference; and
- Cenovus provided \$1100 to InclusionNL to offer online sessions for Cenovus employees, contractors, and members of the public to attend a disability awareness session.

Other Community Support

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

- \$28,500 to support food banks--\$10,000 to the Community Food Sharing Association, \$10,000 to Bridges to Hope, \$5,000 to the Placentia Area Food Bank; and \$3,500 to Memorial University's Campus Food Bank;
- \$20,000 to the Jimmy Pratt Memorial Outreach Centre to support their breakfast program;
- \$15,000 to Choices for Youth to support their Rally Forward outreach program;
- \$10,000 to Young Adult Cancer Canada's Shave for the Brave;
- \$5,000 to Community Connections Support Services;
- \$2,000 to the Voices of Placentia community concert event; and
- In 2022, Atlantic Region employees used the internal Cenovus Gives platform to contribute to causes important to them. Through employee contributions, volunteer service grants, and corporate matching, Atlantic Region employees contributed more than **\$192,000** to more than 100 local organizations.

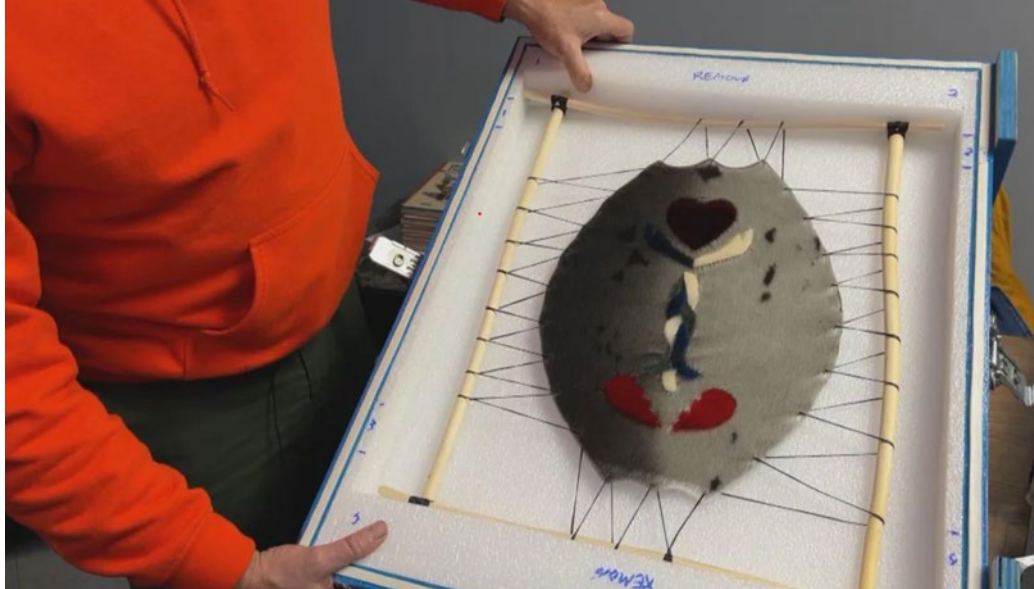
*The amounts noted in Other Community Support are not included in E&T spend.

6.0 Diversity

In 2022, Cenovus continued to progress against its diversity commitments and a report on Cenovus' White Rose Diversity Plan has been submitted under separate cover.

7.0 Photographs

The photos below highlight some of the ways Cenovus supported the community in 2022.



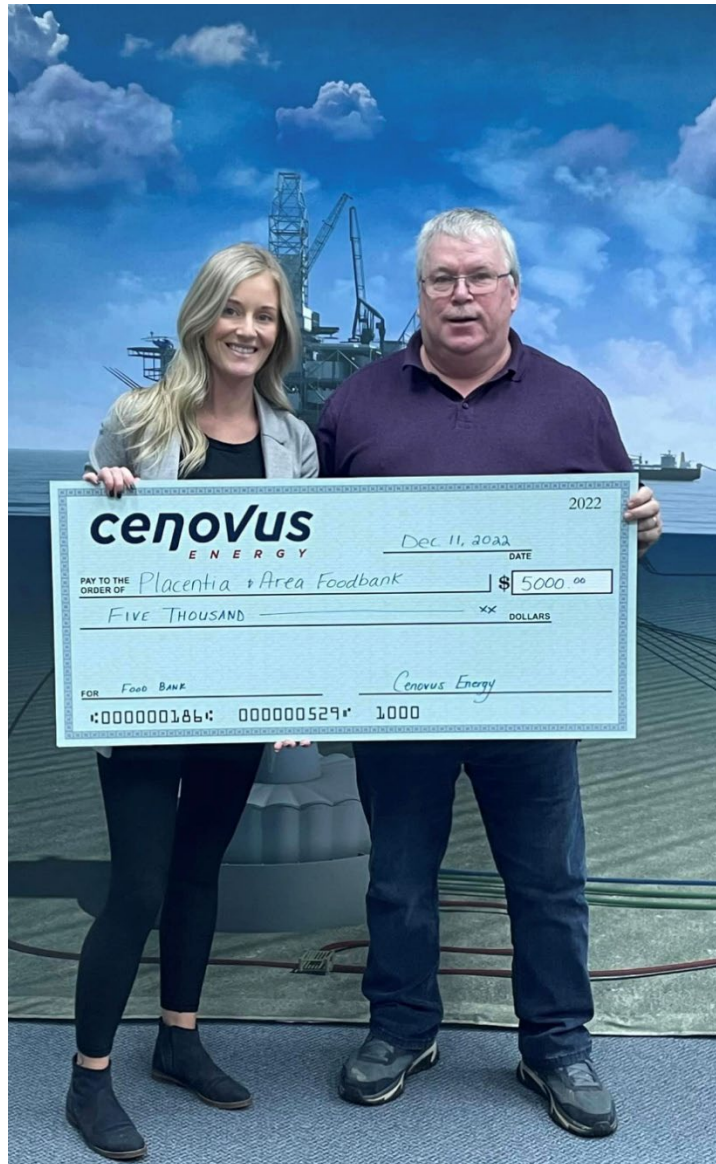
In 2022, Cenovus committed a total of \$160,000 to The Rooms to create seven “Celebrating Diversity Through Identity” EduKits. The kits will support teachers who have indicated there is a lack of material about authentic experiences pertaining to cultural diversity specific to Newfoundland and Labrador and be used primarily in classroom-based learning across the province.



In September, Cenovus participated in Young Adult Cancer Canada’s Energy Shave fundraising event. Cenovus contributed \$10,000 to the organization and Production Manager Jim Gilmour shaved Senior Vice President Jonathan Brown’s hair as part of the event.



In December, Cenovus held a unique fundraiser to mark the retirement of the Husky Energy name and contributed \$10,000 to the Gathering Place in doing so. Employees who participated were eligible to win Husky branded items. Employees raised \$5,000 and the company matched that amount. The gift covered one full week of meals for patrons of the Gathering Place.



In December, Cenovus made a number of contributions to organizations helping people meet their basic needs including: \$10,000 to the Salvation Army Kettle Campaign, \$10,000 to the Community Food Sharing Association, \$10,000 to Bridges to Hope Food Bank, \$5000 to the Placentia Area Food Bank (pictured above) and \$3,500 to the Memorial University Campus Food Bank.



In November, Cenovus presented the Future Leaders Award to two nautical science students from Memorial University’s Marine Institute. The experiential learning award provides financial assistance during academic terms and a paid sea phase component. Recipients Alex Pulchan (middle left) and Amber Jones (middle right) both identify as members of equity-deserving groups.



Again in 2022, Cenovus was pleased to sponsor the Nature Conservancy of Canada’s Summer Internship program in NL. Interns Triina Voitk (left) and Chirathi Wijekulathilake (right) executed a range of conservation activities including monitoring the shoreline of The Knob property, Grand Codroy Estuary Nature Reserve (above) and conducting a baseline inventory for a property which will expand the Salmonier Nature Reserve.



Cenovus supported the Jimmy Pratt Memorial Outreach Centre with a \$20,000 contribution to their breakfast program. In addition, Cenovus employees volunteer each week to prepare the meals.