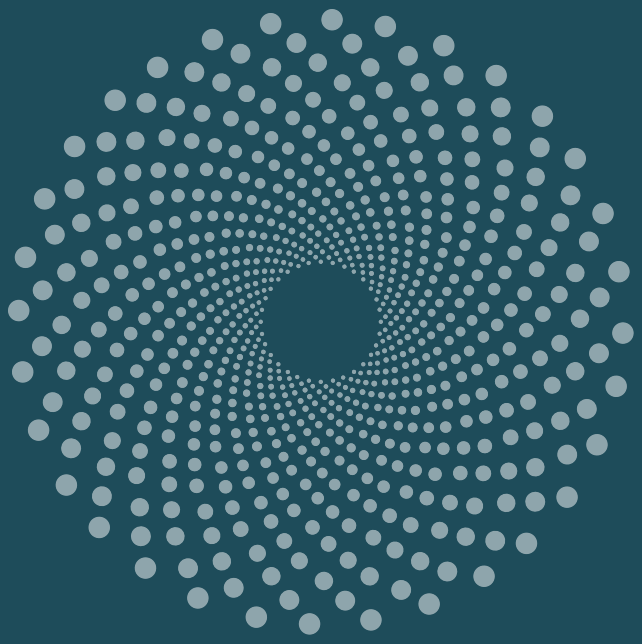


2018 ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

cenovus ENERGY

Contents

Glossary of commonly used acronyms

AIF - Annual Information Form

CAPP - Canadian Association of Petroleum Producers

CO_2 - Carbon dioxide

COMS - Cenovus Operations Management System

COSIA - Canada's Oil Sands Innovation Alliance

CR - Corporate responsibility

CSR - Corporate social responsibility

ESG - Environmental, social & governance

GHG - Greenhouse gas

IPIECA - International Petroleum Industry Environmental Conservation Association

MD&A - Management's Discussion and Analysis

N_2O - Nitrous Oxide

NGO - Non-government organization

NGL - Natural gas liquid

NO_x - Nitrogen oxide

SAGD - Steam-assisted gravity drainage

SAP - Solvent-aided process

SDP - Solvent-driven process

SIF - Significant injury frequency

SOR - Steam to oil ratio

SO_2 - Sulphur dioxide

TRIF - Total recordable injury frequency

MESSAGE FROM OUR PRESIDENT & CHIEF EXECUTIVE OFFICER

For more than a century and a half, Canada's oil and natural gas industry has been a reliable supplier of responsibly produced, affordable energy. While North America has always been the primary market for the fuel Canada produces, our country is on the verge of a tremendous opportunity for change and growth. By accessing new markets overseas, Canadian oil and natural gas producers have the potential to help meet the world's growing demand for energy while contributing to efforts to reduce global greenhouse gas emissions and continuing to support Canada's high standard of living.

As you know, many of our industry's critics have said the world would be better off without Canada's oil and natural gas. They say our energy products are high carbon, we have lax regulations, and our industry is at odds with local Indigenous communities. Nothing could be further from the truth. It's critical for Canada and our economy that we all stand up to set the record straight. Of the world's top 10 oil producing countries, Canada is the only jurisdiction with carbon pricing systems in place. And studies have shown that our environmental policies, laws and regulatory system are world-leading in terms of stringency, compliance and transparency.

There is a good story to tell regarding emissions as well. As oil sands production has grown over the last decade or two, our industry has significantly reduced its per-barrel carbon emissions. At Cenovus, we've cut our emissions intensity by about 30% since 2004. The carbon emissions from a barrel of oil from Cenovus's oil sands operations are slightly below the global average and through innovation and technology development, we are working hard to make even more progress in reducing per-barrel emissions in the years ahead.

But sustainable development isn't just about reducing environmental impacts. It's about many other things, including those that the United Nations has identified as its top Sustainable Development Goals. Things like ensuring we conduct our business ethically and have strong governance in place. That we positively impact the communities where we operate by providing economic growth, creating good jobs and supporting literacy and quality education. That we provide people with access to responsibly produced and affordable energy. And that we continuously assess and manage risk, including environmental, social and governance risk. All of these issues are becoming increasingly important to our industry's stakeholders, including our investors. That's why earlier this year we created an internal Sustainability Advisory Council with staff from across the company to provide diverse viewpoints and advice on sustainability-related matters.

When it comes to sustainable development, Canada's oil and gas industry is a leader. As our country's top export products, oil and natural gas are major drivers of the national economy and significant contributors to local economies in the areas where we operate. That includes providing sustainable prosperity for many Indigenous communities through direct community investment, employment opportunities and support for Indigenous-owned businesses. Since launching in December 2009, Cenovus has done more than $2.7 billion in business with Indigenous suppliers and contractors. That translates into thousands of well-paying jobs and economic independence for communities where there are often few other business opportunities.

As a country, we have a great track record for producing our oil and natural gas resources responsibly and sustainably. We also have a demonstrated ability to apply innovation and technology to help solve tough problems like climate change. And, we're blessed with some of the largest oil and natural gas reserves on the planet. With every credible forecast suggesting that oil and gas will continue to play a leading role in meeting global energy demand for decades to come, Canadians have an important choice to make. We can strive to become a global energy leader by exporting oil and natural gas that is among the world's most responsibly produced. Or we can let the growing demand for energy be met by oil and gas producing nations that don't have anywhere near the same standards, transparency or record of sustainability that Canada has.

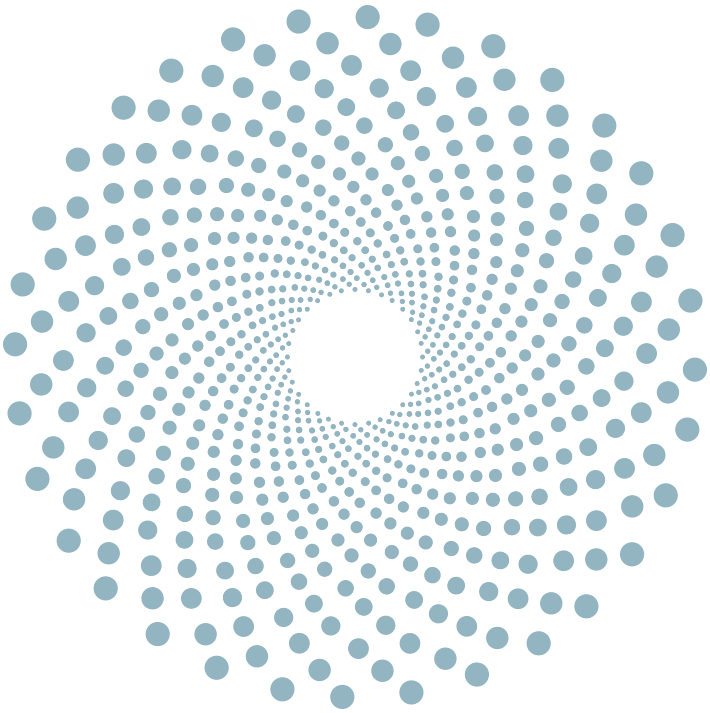
At Cenovus, we believe Canada can and should be a global energy leader. And as a company, we strive to be at the forefront of that movement. Since Cenovus launched nearly 10 years ago, it has been our core belief that operating in a safe, ethical, legal, and environmentally and socially responsible manner goes hand in hand with generating strong business results and creating shareholder value. And that is consistent with the evolution of principles of sustainable resource development.

In keeping with the evolution of thought around sustainability, we've transitioned from a corporate responsibility (CR) perspective to an environmental, social and governance (ESG) perspective in this report, which is reflected in the report's title. CR or corporate social responsibility (CSR) are more traditional terms that suggest corporations have a responsibility to all of their stakeholders (e.g. customers, communities, employees, shareholders) and to broader society for their social and environmental impacts, and that by addressing social and environmental impacts, companies tend to have stronger financial performance. The concepts and principles of ESG build on that to include a broad set of environmental, social and governance metrics that are used by companies to assess risk and opportunity and are integrated into their business planning processes. A growing number of investors are also using these metrics to assess corporate performance and identify the potential for superior risk-adjusted returns. At Cenovus, we believe the ESG perspective better reflects our longstanding approach to sustainable development.

In this report, we address the ESG topics that are most relevant to Cenovus and its stakeholders. These include important issues such as carbon and climate, water stewardship, biodiversity, Indigenous engagement, health and safety, disclosure to stakeholders, corporate strategy and risk management. Throughout the report, we discuss why these topics are important for the long-term sustainability of our business and why they matter to our investors. We demonstrate how we put our sustainable development philosophy into action by applying technology and innovation to reduce carbon emissions, our water and energy use and our land footprint, by investing in local communities and supporting the development of Indigenous businesses, by having rules and processes in place to ensure that everyone who works for us is operating safely and with integrity and by actively promoting diversity and inclusion in our workplaces. Where possible, we provide goals and targets and we track our progress towards achieving them. This report also incorporates a comprehensive assessment of Cenovus's risks and opportunities related to carbon and climate change.

As Cenovus approaches the 10th anniversary of its launch as an independent oil and natural gas producer, our staff and stakeholders have every reason to be proud of the work that we've done. I believe we have established ourselves as a sustainability leader within our industry, and we will remain committed to those principles as we work to take advantage of the opportunities that lie ahead of us and our country.

Alex Pourbaix
President & Chief Executive Officer



ABOUT US

OUR VISION

To be the energy company of choice for investors, staff and stakeholders.

OUR MISSION

To maximize the value of the company by responsibly developing oil and natural gas assets in a safe, innovative and efficient way.

OUR VALUES

Safety: Safety before all else
Integrity: We are transparent, honest and treat everyone with respect
Performance: We work as one team to make smart decisions that deliver results
Accountability: We do what we say we will do

OUR BUSINESS

We're a Canadian integrated oil and natural gas company, based in Calgary, Alberta. At our industry leading oil sands assets in northern Alberta, we use a technique called steam-assisted gravity drainage (SAGD) to produce oil. At our Deep Basin assets in Alberta and British Columbia, we have predominantly liquids-rich natural gas production.

Cenovus also owns a crude-by-rail terminal in Alberta and has 50 percent non-operated ownership in two U.S. refineries. This integrated approach to our oil business helps maximize margins and provide stability to our cash flows by giving us exposure to the full oil value chain from production through to the output of finished products such as gasoline, diesel and jet fuel.

Our strategy is focused on maximizing shareholder value through cost leadership and realizing the best margins for our products. We believe that maintaining a strong balance sheet will help us navigate through commodity price volatility and provide the flexibility to proceed with opportunities at all points in the price cycle. We aim to evaluate disciplined investment in our portfolio against dividend increases, share repurchases and maintaining the optimal debt level while retaining investment grade status. Our investment focus will be on areas where we believe we have the greatest competitive advantage.

Cenovus shares trade on the Toronto and New York stock exchanges under the symbol CVE. We had more than 3,000 staff members, including employees and contractors, across our operations at the end of 2018.

► Learn more

Steam-assisted gravity drainage (SAGD)

Our oil sands reservoirs are located hundreds of metres underground, and we use high-tech drilling and production techniques to recover the oil. The process, known as SAGD, uses steam, which is injected into the reservoir to mobilize the thick oil so it can be pumped to our processing facilities. This involves minimal surface disturbance compared with mining, and we have no tailings ponds.

► Learn more

Steam to oil ratio (SOR)

Steam to oil ratio is the amount of steam needed to produce a barrel of oil at our SAGD projects. It's a key measure of operational and environmental efficiency for SAGD and Cenovus's SOR is among the lowest in the industry.

2018 quick facts

- Oil and natural gas liquids production: 395,000 barrels/day (bbls/d)
- Natural gas production: 528 million cubic feet/day
- Refined products: 235,000 bbls/d net
- *Adjusted funds flow: $1.7 billion
- Surpassed $2.7 billion in cumulative business spending with Indigenous-owned companies or Indigenous joint ventures in our operating areas since 2009
- Donated $7 million to more than 600 nonprofit organizations

*Non-GAAP measure, see Advisory

OUR REPORTING APPROACH

We recognize that conducting our business in a responsible and respectful way requires a commitment to be transparent with our stakeholders about our environmental, social and governance (ESG) performance. Transparency is beneficial for both our stakeholders and Cenovus. It lets us provide information that satisfies the needs of our stakeholders, and the feedback we receive when we share information allows us to better understand how their expectations change over time.

External reporting guidelines

This report is prepared in accordance with the Global Reporting Initiative (GRI) 2016 Standard 'Core' option, and information demonstrating this alignment can be found in the GRI Index and Supplement in this report. We also reference the International Petroleum Industry Environmental Conservation Association (IPIECA) Oil and Gas Industry Guidance for Voluntary Sustainability Reporting (3rd edition) and various guidelines from the Canadian Association of Petroleum Producers (CAPP).

ESG key focus areas

In alignment with the principles of the GRI 2016 Standard, our ESG performance and reporting is largely driven by our identified ESG key focus areas. We select and report on ESG topics based on their importance to our company, alignment with the key areas of focus of our Corporate Responsibility Policy and importance and relative impact to our stakeholders (*see Table 1*). We also consider peer and industry reporting practices as well as emerging trends and standards in sustainability reporting and disclosure. We complete periodic assessments and reviews of the ESG topics important to Cenovus, incorporating input from internal subject matter experts, external sustainability experts and feedback from our stakeholders. The most recent update to Cenovus's ESG key focus areas was completed in June 2019 after consultation with topic experts from across our company and input from a broad range of senior leaders. For further details see the ESG key focus areas table on page 60 in this report. Other GRI 2016 Standard principles that we use to guide our reporting include:

- Stakeholder inclusiveness: We integrate the feedback we receive from ongoing engagement with several stakeholder groups, some of which we engage with specifically to obtain input on our ESG disclosures. These groups include, but are not limited to: local communities, Indigenous communities, non-government organizations (NGOs), academics, investors, investment analysts, suppliers, industry associations and local chambers of commerce. (*For more, see Tables 1 and 3 below as well as the Community section of this report*)
- Sustainability context: We present information on our activities in the context of our strategy and value chain, the broader role of the oil and gas sector in the economy and society, and we discuss environmental issues in a relevant regional or global context
- Completeness: We report on a broad range of economic, social and environmental issues, including both the positive impacts and challenges related to our activities. The level of content provided in this report as well as in our financial and other company disclosures is commensurate with the importance of the issue to our company and our stakeholders

How we report

We report information about how we manage the ESG aspects of our business in a number of ways:

ESG report

Through our annual ESG report we voluntarily disclose information that more broadly describes our activities, policies, opportunities and risks. This includes information about our governance framework and our management approach to the topics outlined in the GRI 2016 Standards (i.e. ESG issues, ESG performance indicators and the GRI Index).

► Learn more

Cenovus.com

Our external website contains general information about our company, our operations and the technologies we use and has dedicated sections for investors and contractors. Information about our policies, management system, ESG approach and Board of Directors, including information on Board mandates and committees, can also be found on cenovus.com. In addition, many of our successes are showcased on our website through stories about technology development, improvements in the way we work and our community investments and initiatives.

Cenovus carbon risk disclosure

In April 2018, we published a standalone report called *Cenovus's Carbon Disclosure: Managing climate-related risks* on our website. Starting this year, our carbon disclosure is integrated into our annual ESG report. Cenovus's carbon disclosure features our perspective on the global transition to a lower-carbon future, including our view on carbon pricing and associated risks. It also highlights how we test our strategy against a variety of scenarios and outlines ways that we manage and mitigate climate-related risks. The Carbon Disclosure report follows the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

Reporting assurance

We have obtained third-party assurance for each of our ESG reports since our company was created in 2009. External assurance of our ESG performance indicators helps us create a credible report that stakeholders can have confidence in. As we evolve this assurance program, we continue to look for ways to enhance the credibility of our reporting systems and the accuracy of our data.

For 2018, Ernst & Young (EY) LLP provided us with limited assurance on 11 ESG indicators. EY also provided reasonable assurance on our three greenhouse gas (GHG) indicators. This included a rigorous review of our data and processes that concluded that our indicators are materially accurate and relevant. With the growing importance of carbon reporting in our industry, we're committed to measuring and disclosing accurate and complete information.

Through our membership in London Benchmarking Group (LBG) Canada, we undergo a yearly review of our community investment portfolio to a reasonable level of assurance. The audit helps us understand the total value of our cash and in-kind donations and employee volunteer hours as well as our program management costs.

TABLE 1 – STAKEHOLDER ENGAGEMENT APPROACHES AND COMMON TOPICS OF INTEREST

Stakeholder	How we engage	Common topics of engagement/interest
Investors and lenders	• Meetings with investors, research analysts and lenders • Investor calls and Annual Meeting of Shareholders • Cenovus Investor Day events and presentations • Presentations at conferences • Tours of our operations • Annual Report, ESG reports, news releases, financial disclosure documents	• Financial and operating performance • Environment, social and governance performance and practices
Government and regulators	• Meetings with government officials (registered lobbying) • Tours of our operations • Regulatory engagement process and reporting • Participation on advisory committees • Government policy consultations (e.g. through CAPP)	• National and provincial regulatory environment and policy • Royalty regimes applicable to our sector • Market access, oil and gas sector economic contribution • Regulatory compliance, environmental performance and climate change • Competitiveness
Employees and contractors	• Company-wide staff forums and town halls • Company intranet and internet, including contractor portal • Onboarding program for new employees • Employee performance agreements & regular performance discussions • Employee career development plans • Social media channels	• Safety information and wellness initiatives • Business strategy and corporate performance • Corporate culture • Diversity and inclusion • Environmental performance and innovation • Organizational change • Policies and our Integrity Helpline • Career planning, training and development • Employee volunteering and giving
Local communities	• Meetings, open houses and tours of our operations • Supporting local initiatives and work opportunities • Community investment and sponsorship, participating in community events, employee volunteering and employee giving • Traditional and social media channels • Our Integrity Helpline	• Safety information • Project updates • Local business and employment opportunities • Support for community initiatives and programs • Environmental impacts and operational performance • Respectful workplace practices in the community and being a good neighbour (noise, dust and traffic)
Indigenous communities	• Consultation with communities on project development • Updates on projects, hosting tours of our operations • Open houses • Meetings with community business development officers • Implementation meetings for long-term agreements • Community investment, employee volunteering / giving • Supporting and participating in community initiatives • Traditional and social media channels • Our Integrity Helpline	• Safety information • Project consultation • Meeting agreement commitments • Local business and employment opportunities • Environmental impacts and performance • Respectful workplace practices in the community and being a good neighbour • Training and development
Non-government organizations (NGOs)	• Meetings with organizations to understand concerns and mutual interests, share perspectives • Tours of our operations • Volunteering • Financial support through business sponsorships	• Social and environmental performance/ stewardship • ESG reporting • Climate change and environmental innovation • Market access • Energy education
Industry and economic development associations and committees	• Memberships in national, regional and local economic development agencies and chambers of commerce • Memberships in various professional and industry associations • Participation with various industry organizations and on various industry committees	• Market access, industry competitiveness and regulatory environment • Attracting business investment and fostering trade and economic growth • Corporate and public governance • Human capital and social development • Environmental performance • Technology development and innovation • Health and safety standards • Regional collaboration • Managing orphan well liabilities • Policy development • Industry communications and energy education • Stakeholder engagement
Business partners	• Meetings with our joint venture partners • Meetings with the companies we invest in through the Cenovus Environmental Opportunity Fund and Evok Innovations • Tours of our operations	• Responsible development and environmental performance • Operational and business performance • Market access • Technology and innovation development • Regulatory compliance • Health and safety standards

TABLE 1 – STAKEHOLDER ENGAGEMENT APPROACHES AND COMMON TOPICS OF INTEREST

Stakeholder	How we engage	Common topics of engagement/interest
Suppliers	• Meetings • Vendor forums for various sourcing activities • Relationship management • Contractor portal on corporate website	• Contractual terms (e.g. rates) and qualification processes • Business ethics, safety and ESG performance • Contracting with local suppliers where possible • Capacity building in local communities
Academic institutions and think tanks	• Research projects and/or technology development in collaboration with industry, research consortia and academic institutions • Tours of our operations • Funding for industry related programs and facilities • Capital funding to support infrastructure expansions	• Research and technology development • Climate change and environmental performance • Process efficiency and improvements • Career training and workforce development
Technology and cleantech industry	• Sponsoring events and participating in conferences • Meetings with partners and innovators to fund and accelerate technology development • Through Canada's Oil Sands Innovation Alliance (COSIA), including the NRG COSIA Carbon XPRIZE, and Evok Innovations	• Technology, innovation, research and development • Climate change and environmental performance solutions • Process efficiency and improvements
Media	• News releases and proactive story pitches • Media presentations, interviews and tours • Social media channels	• Broad range of issues reflecting all stakeholder interests

TABLE 2 – ESG REPORT TOPIC SUMMARY

Topic[a]	Stakeholder[b] groups for which the topic is relevant for decision making	Relevant GRI standards[c] and IPIECA guidelines[d] that inform what we report
Governance	Investors; local communities; suppliers; regulators	GRI 102 – General Disclosures
Advocacy and lobbying	Investors; NGOs; government	GRI 415 – Public Policy; IPIECA SE14 – Public Policy and Lobbying
Economic contribution	Local communities; regional stakeholders; investors	GRI 201 – Economic Performance
Supply chain management	Investors; suppliers; local communities	GRI 204 – Procurement Practices; IPIECA SE7 – Local Procurement and Supplier Development
Workforce management	Investors; employees and contractors; local communities	GRI 401 – Employment; 404 – Training and Development IPIECA SE15 – Workforce Engagement; SE17 – Workforce Training and Development
Diversity and inclusion	Investors; employees and contractors; regulators	GRI 405 – Diversity and Equal Opportunity; IPIECA SE15 – Workforce Diversity and Inclusion
Safety management	Employees and contractors; regulators; local communities; investors; suppliers	GRI 403 – Occupational Health & Safety IPIECA HS3 – Occupational Injury and Illness Incidents
Occupational health	Employees and contractors; suppliers; local communities; regulators; government	GRI 403 – Occupational Health & Safety IPIECA HS2 – Workforce Health
Asset integrity management	Employees and contractors; local communities; investors; suppliers; regulators	GRI OGS[4] OG13 – Asset Integrity and Process Safety IPIECA HS5 – Process Safety
Emergency management	Employees and contractors; local communities; investors; suppliers; regulators	GRI OGS[4] Local Community DMA IPIECA E11 – Spills to the environment
Stakeholder engagement	Local communities; investors; government; regulators; employees and contractors	GRI 413 – Local Communities IPIECA SE1 – Local community Impacts and Engagement
Community investment and involvement	Local communities; employees and contractors; investors	GRI 201 – Economic Performance IPIECA SE4 – Social Investment
Indigenous engagement	Local communities; investors	GRI 204 – Procurement Practices, 413 – Local Communities IPIECA SE2 – Indigenous Peoples; SE7 – Local Procurement and Supplier Development
Environmental management	NGOs; investors; regulators; government	GRI 307 – Environmental Compliance
Energy and emissions	NGOs; local communities; investors; regulators; government	GRI 302 – Energy, 305 - Emissions IPIECA E1 - Greenhouse Gas Emissions; E2 - Energy Use; E4 - Flared Gas, E8 - Other Air Emissions
Water	NGOs; local communities; investors; regulators; government	GRI 303 – Water IPIECA E6 – Fresh Water
Biodiversity	NGOs; local communities; investors; regulators; government	GRI 304 – Biodiversity IPIECA E5 – Biodiversity and Ecosystem Services
Decommissioning and reclamation	NGOs; local communities; investors; regulators; government	GRI OGS[4] OG11 – Sites Decommissioned IPIECA – Decommissioning
Spills	NGOs; local communities; investors; regulators; government	GRI – Effluents and Waste IPIECA E9 – Spills to the environment
Waste	NGOs; investors; local communities; regulators	GRI – Effluents and Waste IPIECA E10 - Waste

[a] Topics are listed in their order of appearance in this report. The level of content provided in this report as well as in our financial and other company disclosures is commensurate with the importance of the issue to our company and our stakeholders.
[b] In some cases, a topic of interest may only reflect a small portion of stakeholders within a larger stakeholder group (e.g. sustainability investors vs. all investors).
[c] While we are guided by the content of the GRI Standards, Cenovus only reports in accordance with the GRI 2016 Standard 'Core' option. A list of specific GRI Standards we report to satisfy this requirement can be found in the GRI Index of this report.
[d] Global Reporting Initiative Oil and Gas Sector Disclosure Guidelines (Global Reporting Initiative, 2013).

OUR APPROACH TO INNOVATION

At Cenovus, we believe oil and natural gas will be part of a cleaner energy future. We also believe that innovation and technology development are key to continuing to reduce our industry's costs and impact on the environment. Our focus on innovation is essential for long-term success as a top-tier Canadian oil and natural gas producer.

In today's world, concerns about GHG emissions and climate change are growing rapidly among the public, government and investors. At the same time, global demand for energy continues to rise. Various forecasts suggest that oil and natural gas will remain a dominant source of energy for decades to come. This presents an unparalleled opportunity for Canada, which has a large natural resource base and demonstrated track record for technology development. By applying innovation to further reduce costs and GHG emissions associated with the production of our oil and gas, Canada has the potential to become an energy supplier of choice for the world. We can help reduce global GHG emissions by exporting sustainably produced oil and natural gas to displace higher-carbon products currently being supplied from jurisdictions that don't have the same environmental or regulatory standards as Canada.

To take advantage of this opportunity and help ensure that Cenovus can remain both cost and carbon competitive on a North American and global basis, we're focused on developing technologies to further reduce emissions and improve environmental performance while also increasing efficiency and reducing costs.

Technology Investment and Collaboration

In addition to developing our own technologies, we are collaborating with peers, academics, other industries and entrepreneurs from around the world. We are taking a strategic approach, focusing on technology projects that have the greatest chance of addressing key environmental and economic challenges faced by Cenovus and our industry peers. Many of these cleantech innovations are being developed in Canada and have the potential to be shared around the world to address environmental challenges faced by other global industries and jurisdictions.

Technology Development in Action

Improving how we drill and complete wells

Over the last few years, we've been able to reduce the time it takes to drill and complete our SAGD wells by more than 50 percent, which has resulted in significant cost savings. Through the application of new technologies and instrumentation, we've also achieved better conformance (production efficiency) along the full length of our well bores. This, in turn, has helped us successfully drill wells longer than 1,600 metres, more than double our average well length from just a few years ago. That means we can access the same amount of oil with fewer wells and well pads, saving costs and reducing our environmental footprint.

► Learn more

Improving our oil sands pad design

Building on everything we've learned from operating SAGD projects for many years, our teams went back to the drawing board to come up with more efficient, lower cost ways to build new oil sands well pads.

We are now taking what we call a Zero-Based Design approach. We build the pad starting with the most basic equipment and infrastructure required for its safe and reliable operation. Moving through different phases of the pad lifecycle, we add, remove or repurpose equipment or infrastructure as needed (e.g. pipe spools, instrumentation, control valves and start-up pumps). Compared with our previous well pads, this Zero-Based Design approach has helped us reduce costs by up to 55 percent and surface footprint by up to 20 percent for some of our new well pads.

► Learn more

Solvents

Solvents have the potential to allow us to significantly reduce per-barrel emissions at our oil sands operations. Various options from a Solvent-Aided Process (SAP), a Solvent-Driven Process (SDP) and a High-Temperature Solvent-Only (HTSO) process are currently progressing through technological de-risking with SAP being the closest to potential commercial use. Learn more. (*Also, see the Climate and carbon section of this report.*)

Data analytics

We collect thousands of data points at our operations to improve, speed up and automate our decisions. Each time we replace or upgrade our infrastructure, we look for opportunities to add sensors, instrumentation and measurement equipment to get critical data. Several teams at Cenovus are using advanced data analytics to drive insights and automate complicated processes within their roles. We're exploring the use of many new technologies for data visualization, to easily filter and identify trends in our facilities. Some teams are also using machine learning and artificial intelligence for specific initiatives.

Collaboration

Canada's Oil Sands Innovation Alliance (COSIA)

Cenovus is a founding member of COSIA, which is based on the idea that by collaborating on technology and innovation, companies will improve the industry's environmental performance faster and more effectively than by working alone. COSIA's member companies represent about 90 percent of the production in the oil sands. COSIA has four areas of focus – land, water, tailings and GHGs – each governed by its own Environmental Priority Area (EPA) joint venture agreement.

NRG COSIA Carbon XPRIZE

In 2015, with support from eight member companies, including Cenovus, COSIA teamed up with NRG Energy to sponsor the US$20 million NRG COSIA Carbon XPRIZE. The competition is a cross-border, cross-industry effort, to promote and advance the discovery and development of technologies that could contribute to a cleaner energy future by launching an entirely new commercial industry - converting CO_2 emissions into valuable products. Ten teams are currently demonstrating their technologies at two test centres – some using CO_2 flue gas from a natural gas plant and some from a coal plant - to see who the ultimate winner will be. A winner will be announced in 2020.

Starting in 2018, the five finalists in the natural gas track began testing their technologies at the new Alberta Carbon Conversion Technology Centre (ACCTC), located in Calgary. The Centre is being used to test and advance carbon capture and conversion technologies that have the potential to accelerate greenhouse gas emission reductions. The finalists will use CO_2 captured from the flue stream at the Shepard Energy Centre to demonstrate their technologies for potential commercial application.

► Learn more

Evok Innovations

Cenovus is a co-founder, along with Suncor Energy and the BC Cleantech CEO Alliance, of Evok Innovations, a first-of-its-kind $100 million investment partnership. Evok's mission is to connect the energy industry and the global clean technology community to accelerate the development and commercialization of early-stage cleantech solutions addressing the toughest economic and environmental challenges facing the oil and gas industry.

Since its launch in 2016, Evok has invested in 12 clean technology solutions, ranging from a light-weight boom for marine spill response, to an intelligent visual monitoring solution that reduces operational costs, emissions and safety risks, to a novel new process to generate industrial scale hydrogen from natural gas.

Partnering with the Massachusetts Institute of Technology (MIT)

In 2017, Cenovus joined the MIT Energy Initiative (MITEI), the energy-focused innovation hub of MIT, through its Carbon Capture Utilization and Storage (CCUS) Low-Carbon Energy Center. The centre is made up of major global energy producers whose collective focus on developing economic solutions for carbon capture and utilization, combined with MIT's global access to CCUS research, presents an unparalleled collaboration opportunity to help catalyze the transition to a lower carbon energy future.

This partnership with MIT demonstrates our commitment to work with the world's foremost research institution to tackle this global challenge. We also have access to a multi-disciplinary team of researchers, economists and policy experts at MIT. The intent of these in-depth interactions between industry and academia is to significantly shorten the time required to achieve early stage breakthroughs and deploy new technologies. In addition to working with MIT, we are also exploring opportunities with other universities and research organizations to be able to solve many technological challenges facing our industry.

Seeking submissions for technology solutions

Research and development is fundamental to how we do business. We have employees dedicated to technology development to drive innovation in our business, and we're always looking for ways to further improve our techniques and processes. That's why we have an online submission form on our company website to encourage smart people from around the world to submit technology solutions that could help improve our operations. Since launching our technology submissions web page in November of 2015, we have received and reviewed 146 technologies from vendors, individuals and academia. Some of the technologies have shown potential and are currently being pursued by subject matter experts from our Technology Development team.

► Learn more

Innovation Summit

We host a biennial Innovation Summit to give our staff the opportunity to share knowledge and ideas with their colleagues and learn about innovations others are working on across the company. The company's fifth Innovation Summit took place in early June of 2019.

GOVERNANCE

How we do our work at Cenovus is as important as what we do. We recognize that to deliver consistent and long-term shareholder value we must operate in a responsible manner that maintains and enhances our reputation. Effective governance, which includes ensuring that we are providing appropriate disclosure, have the right corporate strategy and are properly managing risk, is important to our shareholders, employees, suppliers and community stakeholders in the regions where we operate. To ensure a high level of business and professional conduct is embedded in our work, we use management systems to govern our activities.

Board of Directors

Our Board of Directors oversees the management of Cenovus's business through a robust system of corporate governance and internal controls. Board meetings are held regularly, including meetings of the Board's four standing committees:

- Audit
- Human Resources and Compensation
- Nominating and Corporate Governance
- Safety, Environment and Responsibility

The skills matrix on page 32 of our 2019 Management Information Circular illustrates the breadth of skills and experience of our current Board members. The matrix also identifies the categories of skills and experience considered by the Nominating and Corporate Governance Committee when assessing the qualifications of Board members and new director nominees. Categories relevant to the corporate responsibility oversight role include:

- Human resources, compensation & organizational management
- Governance
- Government & stakeholder relations
- Risk management
- Safety, environment & health
- Strategic planning & execution

We are committed to diversity, including gender diversity, on our Board and in executive officer positions. At our 2019 Annual Meeting of Shareholders, Jane Kinney was elected to join Cenovus's Board. With her election, the number of female Board members increased to three.

Cenovus has an ongoing continuing education program to enhance Board members' skills and understanding of our business environment and key emerging issues. Understanding Cenovus, the industry and our regulatory environment in the context of climate change enhances our Board's effectiveness as stewards of the company. In addition to receiving regular briefings that discuss ESG related topics, the Board conducts an extensive annual review of risk factors for the company, including climate change related risks, as part of the preparation of our Annual Information Form (AIF).

Safety, Environment and Responsibility (SER) Committee

The SER Committee assists the Board in carrying out its oversight responsibilities relating to our Corporate Responsibility Policy which includes safety, social, environmental, economic, business conduct and ethical considerations. The SER Committee is comprised of independent directors and meets at least three times a year to review:

- Our safety, regulatory and environmental performance benchmarked against our peers based on injury frequency, GHG emissions, regulatory compliance, spill incidents and reclamation and abandonment activity
- Any trends or high-risk observations from our internal operations assurance program
- Any significant contraventions of regulations or policies such as our Code of Business Conduct & Ethics
- Progress of the company's Sustainability Advisory Council work
- Emerging federal and provincial legislation, regulations and decisions affecting our operating environment, fiscal policies and market access

Code of Business Conduct & Ethics

Our Code of Business Conduct & Ethics (Code), approved by the Board, applies to all officers, employees, contractors and directors of Cenovus and reflects the company's commitment to conducting our business ethically, legally and safely. The Code sets out the ethical and behavioural parameters expected of staff and directors. We expect service providers and suppliers to also be familiar with the Code and uphold the company's corporate values and practices.

The Code specifically addresses:

- Acceptable use of Cenovus's systems and assets
- Accounting, auditing or disclosure concerns
- Accurate maintenance of books and records
- Acquisition and supply of goods and services
- Compliance with laws and regulations
- Confidentiality and disclosure
- Conflicts of interest
- Corporate opportunities
- Fair dealing
- Fraud and similar irregular activities
- Human rights and harassment

- Inducements and gifts
- Political and lobbying activities
- Safety, environmental and corporate responsibility
- Whistleblower protection

We update the Code regularly to reflect societal changes as well as best practices in our business. As part of this process, the Code is currently under review by Cenovus's Governance team.

Corporate Responsibility Policy

Our Corporate Responsibility Policy outlines the conduct expected of our staff, management and Board in six key areas:

- Leadership
- Corporate governance and business practices
- People
- Environmental performance
- Stakeholder & Indigenous engagement
- Community involvement and investment

Policy Commitment and Training

As part of our commitment to implement the policies and standards set by the Board and management, directors and employees are required to review and commit to certain policies on a regular basis. We review and update our policies annually.

All employees, including directors, annually review and commit to the Code. To supplement the Code review, employee training and commitment on select policies and practices is conducted on a quarterly basis. The policy commitment and training process helps ensure our staff understand, embrace and live up to Cenovus's values and expectations.

Enterprise Risk Management (ERM)

In the pursuit of Cenovus's strategic objectives, the company is exposed to a number of risks, some of which impact the oil and gas industry and others that are unique to our operations.

Effective risk management helps ensure consistent and reliable execution of our strategy and major business objectives. Our approach to risk management begins with our Board-approved Enterprise Risk Management (ERM) Policy, which defines our risk management principles as well as the roles and responsibilities of our staff.

The framework is embedded into various standards, practices, processes and risk assessment tools we use across the company.

Our ERM policy outlines expectations for the identification, measurement, prioritization and management of risk across Cenovus. Risks are assessed considering potential health and safety, operational, financial, environmental and regulatory or reputational impacts to our business in the context of our risk tolerance.

The results of our enterprise risk management program are documented in an annual risk report presented to the Board as well as through quarterly updates and our Management's Discussion and Analysis (MD&A).

Cenovus Operations Management System (COMS)

The integrated COMS provides a consistent framework for assessing, managing and optimizing business processes, operations risk, safety, environment and operating performance. COMS is an operations excellence management system – a type that's used across many industries. The COMS framework aims to manage aspects such as quality, safety and environment through seven elements - leadership, people, risk identification and assessment, risk mitigation, knowledge sharing, management of change and continuous improvement. Internal groups at Cenovus also undertake assurance programs to evaluate conformance with COMS and compliance with existing regulation.

Compensation Programs

Our total compensation package for management and staff provides a certain fixed compensation, such as base salary, in addition to variable components such as discretionary performance bonuses and long-term incentive awards. We also use an internal performance scorecard to rate the company on safety and environment, operations and financial performance. The overall score is used to help management adjust the variable compensation for staff. In 2018, we added two metrics to our scorecard - significant incident frequency (SIF) and oil sands emissions intensity - to reflect the importance of these areas.

Our compensation programs are designed to:

- Align employee and management interests with those of our shareholders
- Attract and retain high-performing staff and executives
- Reward strong performance
- Discourage excessive risk-taking that could have a material adverse effect on the company

Our key governance practices and elements for compensation can be found in our Management Information Circular.

Trade Compliance & Integrity

To uphold our commitment to doing business ethically, both domestically and internationally, we have a set of controls and procedures in place to ensure our staff conform with applicable laws on trade and business integrity, including anti-corruption and sanctions laws. We provide our staff with training on our Trade Compliance & Integrity Standard and work with them on the processes and procedures related to the standard and their work at Cenovus.

Payment Transparency

We recognize that conducting our business in a responsible, ethical and respectful way requires a commitment to transparency with our stakeholders. Reporting payments to governments is an important way to increase trust with our stakeholders. The Extractive Sector Transparency Measures Act (ESTMA) report, available on our website, provides an overview of the payments made to governments by Cenovus and our subsidiaries and partnerships involved in the commercial development of oil and natural gas. Our ESTMA reporting includes the disclosure of all payments made to Indigenous governments.

Human Rights

Cenovus is committed to ensuring compliance with applicable laws, regulations and industry standards relating to human rights, employment and labour relations in the jurisdictions in which we operate. Our adherence to these laws, regulations and standards are integrated into various aspects of our policies and business practices and are reviewed periodically. Our Code confirms our commitment to maintaining a positive workplace where all staff adhere to relevant human rights legislation.

Addressing Concerns

We have an independent, confidential third-party operated Integrity Helpline. Contact information for the Integrity Helpline and our Investigations Committee is available on our website. Stakeholders, including local community residents and other members of the public, as well as our employees and contractors are encouraged to report any business conduct concerns through the Integrity Helpline. Employees and contractors may also report concerns to their supervisor, a human resources business partner or a member of Cenovus's Investigations Committee. Residents in the communities near our operations can raise any concerns through the Integrity Helpline or with their local community relations representative. Under our Code, retaliation against individuals who report violations of the Code is not tolerated.

In 2018, we received 64 contacts through our Integrity Helpline, which resulted in 30 new investigations by our Investigations Committee (involving complaints of breaches of company policies). Reports that the Investigations Committee determined did not require a formal investigation were forwarded to the appropriate business lead or subject matter expert for appropriate resolution. (*See the data on our Integrity Helpline contacts.*)

Advocacy, Memberships and Sponsorships

Cenovus recognizes that it's important for stakeholders to understand how companies engage in the public policy process. We aim to have our interactions with external groups, such as industry associations or organizations that we sponsor, be consistent with our public policy positions. We are committed to maintaining high ethical standards when communicating with government and regulatory officials, whom we meet with from time to time to share insights on the business impacts of potential policy changes and to make recommendations on efficient ways to achieve policy objectives.

Membership and sponsorship management

Cenovus has memberships in numerous industry and business groups, and we sponsor a number of organizations for specific community activities that align with our business objectives or commercial interests. Many of our memberships and sponsorships provide services such as data gathering for analysis and publication or the hosting of instructional workshops on topics not related to policy. In some cases, federal and provincial governments will specifically seek industry input as part of government-led policy consultation processes with organizations of which we are members. Governments may also participate in cross-sector dialogue during events that we sponsor.

Memberships and sponsorships, including those where indirect political advocacy could occur, are managed by teams reporting to Cenovus's Executive Vice-President, Stakeholder Engagement, Safety, Legal & General Counsel. Depending on the cost and potential for reputational impact, decisions about specific sponsorships or membership may include review and approval by a member of our executive team. All sponsorships are subject to the eligibility criteria of our Community Investment program, which specifies that sponsorships cannot support political events.

► Learn more

For more information on the organizations we support through memberships and sponsorships, please see Table 3 below.

Political donations and lobbying

Our Code prohibits political contributions by the company. We comply with all applicable lobbying legislation. This includes the Lobbying Act (Canada) and the lobbying acts in Alberta and British Columbia, where we operate, which impose reporting requirements on lobbying communications with certain officers and employees of government, also known as "public office holders."

TABLE 3 - INDICATORS

Sponsorships in 2018[a]	Memberships in 2018[b]	
$1,000 - $25,000	**$1,000 - $25,000**	**> $25,000**
• Alberta Student Energy Conference • Alberta Energy Challenge • Calgary Chamber of Commerce • Calgary Economic Development • Canada West Foundation • Coalition for a Safer 63 and 881 • Energy Council of Canada • Fraser Institute • Pembina Institute • Propel Energy Tech Forum	• Alberta Chamber of Resources • American Fuel & Petrochemical Manufacturers • Bonnyville & District Chamber of Commerce • Business Council of British Columbia • Calgary Chamber of Commerce • Calgary Petroleum Club • Canadian Council for Aboriginal Business • Canadian Society for Unconventional Resources • Catalyst Canada • CD Howe Institute • Circle for Aboriginal Relations • Cold Lake Regional Chamber of Commerce • EXCEL Partnership • IHS Market Canada • Independent Power Producers Society of Alberta • Institute of Corporate Directors • ISC3 • Lac La Biche & District Chamber of Commerce • London Benchmarking Group • National Freight Transportation Association • Parkland Airshed Management Zone • Peace Air Zone Association • Pembina Area Synergy Group • Petroleum Technology Alliance Canada • Region One Indigenous Business Association • Rimbey Regional Synergy Group • Sundre Petroleum Operators Group • Wapiti Area Synergy Partnership • WESTAC • West Central Stakeholders • Yellowhead Synergy Group	• Business Council of Canada • CAPP • COSIA • Industrial Power Consumers Association of Alberta • Northeast Capital Industrial Association • Resource Works Society • West Central Airshed Society
> $25,000 • Calgary Stampede • University of Ottawa Positive Energy Project		

[a] May include organizations to which Cenovus provided financial sponsorship for activities that supported advocacy in one or more of the following ways: support of activities to encourage stakeholder dialogue on policy related matters involving engagement with government officials; support of events that generally promoted a position on a project that aligned with Cenovus's commercial interests; and support of events that provided general financial assistance to an organization known to undertake policy advocacy activity, such as meeting or corresponding with government officials for the purpose of influencing decisions. The advocacy position of these groups may or may not reflect Cenovus's perspective.

[b] May include organizations and trade associations that are known to undertake advocacy activities such as meeting or corresponding with government officials to influence policy decisions. The advocacy positions taken by these groups may or may not reflect Cenovus's perspective.

ECONOMY

Our Economic Contribution

As a Canadian oil and natural gas company, we're committed to developing our country's resources responsibly. This includes making a positive contribution to the national, provincial and local economies where we operate. Providing economic benefits to Canadians is important to our shareholders, employees, suppliers and community stakeholders. We contribute to Canada's economy and to the wealth and prosperity of local communities near our operations by:

- Providing direct and indirect jobs in Alberta, British Columbia and across Canada
- Paying taxes and royalties to multiple levels of government
- Paying dividends to our shareholders and interest to our lenders
- Purchasing goods and services from Indigenous-owned and other local suppliers, as well as from businesses across Canada and the United States
- Driving innovation through investments in research and technology development as well as through collaboration with peers, academia, governments and other organizations and people around the world
- Enhancing quality of life and opportunities for the communities where we work and live through our community investment programs and in-kind donations

2018 Cenovus economic contributions:

$1.4 BILLION	ANNUAL CAPITAL INVESTMENT	GROSS EMPLOYEE SALARIES, BONUSES AND SHORT-TERM BENEFITS	$585 MILLION
$548 MILLION	ROYALTIES	PROCUREMENT OF GOODS AND SERVICES FROM INDIGENOUS BUSINESSES	$197 MILLION
$245 MILLION	DIVIDENDS	INTEREST EXPENSE	$516 MILLION
		TOTAL VALUE OF COMMUNITY INVESTMENT [1]	$7 MILLION

[1]Total value of community investments includes direct company investments plus the estimated value of employee time donated during work hours, in-kind donations and program management costs, audited by LBG Canada.

Total industry economic contributions

The oil sands industry provides significant economic benefits to Canada. This includes:

- Royalty payments: For the ninth fiscal year in a row, bitumen royalties were the largest contributor to Alberta resource royalty revenue. In 2017-2018, revenue from bitumen royalties accounted for $2.6 billion, or about 53 percent of non-renewable provincial resource revenue. Conventional crude oil royalties contributed $965 million, or about 19 percent of provincial non-renewable resource revenue[2]
- In 2017, the oil sands supported and created more than 223,000 direct and indirect jobs across Canada.[3]
- Working with Indigenous companies: In 2015-2016, nearly 400 Indigenous companies from across Alberta provided goods or services, valued at about $3.3 billion, to oil sands operators. These companies come from 65 communities across the province[4]

[2]Source: Alberta Energy's 2017-2018 Annual Report
[3]Source: CAPP Canada's Oil Sands Fact Book
[4]Source: CAPP 2017 Indigenous Engagement Survey Results

Supply Chain Management

Our goods and services are primarily procured within North America, where over 99 percent of our operations budget was spent in 2018. While we procure goods and services from across the continent, Cenovus remains committed to finding opportunities to work with and purchase from local businesses.

Supply chain resilience

Cenovus's supply chain contributes to the company's strong, reliable, financial and operating performance by selecting supplier partners who share our commitment to safety, environmental responsibility and strong operational performance.

Supply, price, safety, fiduciary and ESG risk is identified and managed through a formalized process within Cenovus's Supply Chain Management group and in partnership with other business groups within the company. This includes a risk management plan, which is reviewed and updated semi-annually and as new or changing risks emerge.

Over the last several years, we have been working to standardize our supply chain processes and ensure we have the appropriate systems and processes in place to most effectively manage Cenovus's spending and to challenge suppliers to work with us to achieve efficiencies in our business. By streamlining our supplier base and pre-qualifying suppliers, we've been able to improve our supply chain performance from a financial, health and safety, execution, ethics

and risk perspective. These processes help ensure that we continue to work with qualified suppliers who best meet our needs, while adding new suppliers only when there is demonstrated value.

Within our request for proposal process, we further screen potential suppliers against our safety and environmental standards, such as reviewing their safety, spill prevention and response programs. We also review and continue to monitor their safety performance, both on our sites as well as other areas where they may operate.

Incorporating Indigenous businesses into our supply chain

Cenovus actively seeks to create opportunities for Indigenous people and sees tremendous value in having local Indigenous companies and communities working in and benefiting from our operations. As part of this commitment, we have formed an Indigenous Inclusion Advisory Committee made up of senior leaders to provide advice internally on the meaningful inclusion of Indigenous people and companies in our business. Our relationship with our Indigenous neighbours is an important part of contributing to the long-term sustainability of our local communities and our company. We're proud of our long-standing business relationships that tie back to the early development of our operating areas and we continue to seek out opportunities to form new relationships.

► Learn more

Contractor safety management

Suppliers and contractors account for a high percentage of the hours worked at our field operations, so it is critical that they are as committed to safety as our employees. Our Contractor Safety Management Program integrates health and safety considerations into our supply chain. We have a 99 percent supplier compliance rating in ISNetworld, a database we use to access information on suppliers that helps us ensure base compliance to health and safety and environmental requirements. The database also allows us to provide transparent and quick updates to all suppliers related to our health and safety requirements. We also have a comprehensive contractor management portal which we use to communicate safety and environmental business requirements and other important information to our service providers. (*For more, see the Health & Safety section of this report.*)

Reusing equipment and sharing resources

In 2018, we partnered with a surplus equipment supplier called Iron Hub. This innovative startup created a virtual marketplace for industry peers to purchase and sell specialized surplus equipment. The collaboration makes it possible to sell equipment we no longer need for our operations quickly and efficiently, while also providing a place for us to purchase items our peers no longer require. This helps reduce the amount of newly manufactured equipment our industry uses, preserving precious resources and reducing costs.

Our Supply Chain Management group also works closely with our maintenance and construction teams at site to share resources and schedule jobs. Recently, the groups collaborated with our crane supplier to create a new operating model for crane use at our sites. Together we were able to better share resources and schedule cranes more efficiently, reducing setup and takedown time, increasing safety on site and reducing costs.

OUR PEOPLE

WORKFORCE MANAGEMENT

Goals & targets	Examples of progress we made last year
Goal: Enhance organizational health	• Piloted a new leadership development program for frontline employees which is now being used for all leaders across the company • Launched Workday, a cloud-based software solution for employees to easily access their personal information, learning tools and staff directory

We aim to be the energy company of choice for staff, investors and stakeholders. Our vision is to provide a workplace where people can thrive and work in a respectful and engaging environment. Attracting and retaining smart, dedicated people while ensuring our culture supports bottom line results is key to the success of our business strategy. It is important to both our staff and our business to have an environment that supports development, provides interesting work, pays for performance and provides recognition for going the extra mile. We treat our workforce with dignity, fairness and respect. Above all, at the end of every day we want to make sure everyone who works for us goes home safely.

Our Management Approach

People Strategy

At Cenovus, we're building organizational capacity through our people, ensuring our staff have the right capabilities, at the right time, to deliver on the Cenovus strategy.

- Capacity - ensuring we have the right organizational model, structure, processes & resources
- Capability - investing in our people to ensure we have the required skills, knowledge & expertise
- Risk and governance - monitoring internal and external environments to anticipate and mitigate people risk issues such as employee retention, availability and cultural and organizational fit
- People experience - creating strong organizational health where our workforce is engaged and recognized for delivering results

Performance and development

We are committed to developing and maintaining a dynamic and competent workforce and ensuring our employees clearly understand Cenovus's strategy and their role in executing that strategy. This includes:

- **Performance planning and reviews**: All our employees complete an annual performance agreement and have scheduled performance reviews. This involves a series of meaningful conversations throughout the year between the employee and their supervisor to provide valuable feedback, establish clear accountabilities, align work goals to improve productivity, reinforce expected behaviours, identify areas for improvement and drive business results
- **Career development**: Employee development is one of Cenovus's organizational health priorities. Employees complete an annual development plan with their supervisors to identify opportunities to enhance their skills and experience and to support career development in alignment with Cenovus's business interests. Development is provided through on-the-job learning, mentoring, networking, volunteering and formal internal and external seminars, conferences and other training opportunities

Talent attraction and retention

Cenovus takes a total rewards approach to recruiting and retaining qualified employees who can deliver on the company's business objectives while striving for continuous improvement in what they do. Our total rewards approach includes providing Cenovus employees with competitive compensation, health and insurance benefits and pension and savings plans.

Increasing business literacy

Throughout the year, speakers from various departments across the company share their experience and knowledge to help staff understand our business better. The ongoing series promotes collaboration and understanding by periodically featuring speakers from strategic partnerships, technology projects and internal service providers who are innovating to create value for the company.

Key Initiatives and Actions

Improving staff feedback

We encourage staff to provide feedback and voice workplace concerns. If workplace concerns exist, staff can speak with their supervisor, a human resources business partner, a member of our Investigations Committee or they can report a concern through our Integrity Helpline, either by phone or through an online intake form.

In addition to our company-wide town hall meetings, members of our Senior Leadership Team hold departmental town halls with their staff quarterly. The meetings are an opportunity to provide updates on the latest business, HR and macro-environment news and answer questions.

We also gather feedback from our staff using intranet tools. In 2018, this included:

- Feedback for our Chief Executive Officer (CEO): An online tool that gave staff the chance to directly share their comments or suggestions with our CEO, Alex Pourbaix, with an option to remain anonymous. In addition to the feedback tool, he also hosts Ask Alex, a video segment addressing questions submitted by staff. Alex also publishes a regular internal blog on a variety of topics that staff can comment on
- Staff chat: An intranet discussion forum that provides a place for staff to connect with peers, grow their business network, have conversations or ask questions of other staff across the company. Members of our executive team and Cenovus technical experts host intranet Live Chats, 30-minute Q&A sessions where anyone in the company can pose questions and have them answered in real time
- Provide your feedback on this communication: We created a tool to let staff provide feedback on messages and bulletins posted on our company intranet

Frontline leader program

In 2018, we piloted a new leadership development program for Cenovus employees who lead teams. Through a mix of classroom training and group coaching sessions, leaders focused on four key areas: inspire, achieve, develop and transform. Leaders learned skills to enhance employee engagement and drive business performance. The development program is now being provided to all leaders at Cenovus.

Workday

This year we launched a new cloud-based software platform called Workday that enables staff to access all their personal information, learning tools and our staff directory from a single source. The system replaces over 60 individual tools, streamlining the process for employees and leaders across the organization. The self-directed approach allows staff to manage their HR related information, including training, performance and compensation through a single tool.

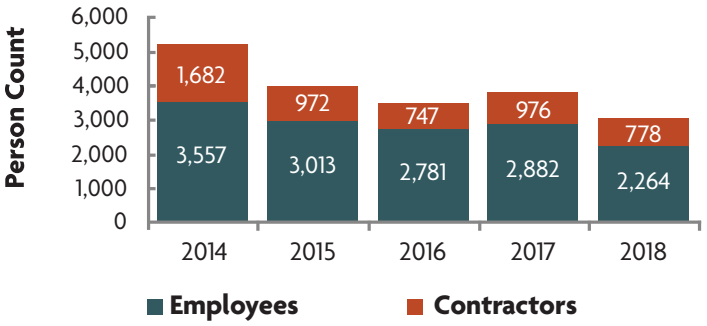
Family leave

We've increased our financial support for employees taking parental leave benefits available under our family leave program. This is available for all new parents including birth mothers, adoptive parents and paternal partners.

Flexible working

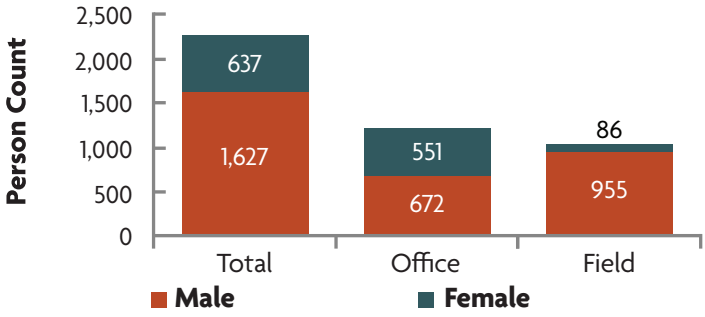
As part of our Modern Workplace Program, we're providing staff with cost-effective technology, spaces and digital solutions that allows them to work flexibly, efficiently and collaboratively from virtually anywhere.

Workforce by type



As of December 31, 2018, Cenovus had 3,042 employees and contractors. About 74 percent of our staff were employees while the remaining 26 percent were contractors. See our Workforce data.

Employees by gender and location



As of December 31, 2018, 55 percent of employees at our Calgary office locations were male and 45 percent were female. At our field operations, 92 percent of employees were male, and eight percent were female. Across the company, females held 23 percent of management positions and 20 percent of top management positions. See our Workforce data.

DIVERSITY AND INCLUSION

Goals & targets	Examples of progress we made last year
Goal: Progress diversity in our workplace and foster an inclusive culture	• Worked with Catalyst, a global non-profit organization, to develop a more formal approach to integrating diversity and inclusion into our workplace • In 2018 staff established an LGBTQ+ employee resource group called Pride@CVE.

To support a strong culture and help achieve our business goals, Cenovus strives to create a workplace environment where people feel respected, valued and listened to.

Our Management Approach

We embrace diversity of thought, experience and backgrounds to help us make better business decisions, address our challenges, seize opportunities and unlock innovative solutions. We define diversity as the variety of people, including all of the unique attributes of our staff, as well as the variety of ideas within our organization.

Building an inclusive workplace by drawing on the skills and talents of a diverse workforce provides Cenovus with a competitive advantage. We believe it's important to maximize the potential of everyone who works for our company and ensure people feel respected, appreciated and heard. We define inclusion as 'diversity in action,' creating an environment of involvement, respect and connection, where various ideas, backgrounds and perspectives are harnessed to create business value.

Our commitment to diversity and inclusion is anchored in our Corporate Responsibility Policy and Code of Business Conduct & Ethics. We are dedicated to conducting our business responsibly and with respect for the people affected by our activities. This includes providing a safe workplace, applying fair labour practices, treating our workforce with dignity, fairness and respect and supporting the principles of the Universal Declaration of Human Rights. Our Workplace Violence & Harassment Prevention Standard articulates our expectations of staff and highlights the values that foster a diverse and inclusive workplace.

Our approach to advancing diversity and inclusion is focused on our policies, practices and people.

We regularly review our internal processes in the following areas:

- Inclusive workplace: Defining what an inclusive workplace is at Cenovus and clarifying expectations
- Hiring and talent processes: Ensuring our talent practices are transparent and focused on equal opportunity for all candidates
- Flexible work arrangements: Acting to address employees' needs for more flexibility in the workplace to help meet business goals
- Leadership: Providing training to build leadership capabilities, strengthen cultural competence and provide tools to address implicit bias

Key Initiatives and Actions

- Board Diversity Policy: Differences in the skills, expertise, industry experience, gender, ethnicity, age and other distinctions between directors are considered when determining the optimum composition of, and evaluating the effectiveness of the Board.
- Three of the ten independent directors elected to Cenovus's Board at the company's 2019 Annual Meeting of Shareholders were women.
- Women@CVE: The Women@Cenovus Network is a grassroots employee-led resource group that provides an engaging and supportive community to empower both women and men to develop themselves personally and professionally. The group encourages participation through knowledge sharing, networking events, keynote speakers and advice for female leaders, working parents and young professionals.
- Pride@CVE: The PRIDE@CVE group is an employee-led resource group aiming to advance the dialogue on LGBTQ+ challenges and opportunities in the workplace, while fostering a safe and positive environment for everyone regardless of sexual orientation, gender identity and expression.
- Fuel Network: The Fuel Network is a multidisciplinary team of new graduate employees from across our company. The group is focused on establishing a collaborative environment to support new graduate integration into the Cenovus culture. The primary goal of the Fuel Network is to accelerate the development of early career employees to build the future leaders of Cenovus by creating mentorship, networking and development opportunities.

HEALTH AND SAFETY

Goals & targets	Examples of progress we made last year

Goal: Deliver strong safety performance	• Our total recordable injury frequency (TRIF) in 2018 was 0.24 - the lowest in Cenovus's history. TRIF is calculated by the number of reportable injuries recorded per 200,000 hours worked
	• 2018 select safety milestones
	  • Established Senior Leadership Health & Safety Steering Committee
	  • Updated Fit for Duty Policy and Alcohol and Drug Standard in response to cannabis legalization
	  • Raised awareness and focus on mental health issues through implementation of Not Myself Today campaign
	  • Adjusted programs and systems to address requirements of updated Alberta OH&S Act, which became enforceable on June 1, 2018
	• Transitioned to the 10 life-saving rules recommended by Energy Safety Canada

Safety Management

At Cenovus we put safety before all else. Nothing is more important than the safety of our staff, contractors and the people in the communities where we operate.

Safety considerations are an integral part of pre-project planning and are a top priority as we go about the daily business of running our operations. In addition to our commitment to create a safe workplace, we emphasize the personal responsibility all our workers have for their own safety and that of their co-workers.

Unfortunately, in 2018, we experienced a fatal accident involving a third-party contractor. The tragedy had an overwhelming impact on the victim's family and friends, as well as our staff, service providers and the company of the contractor involved. In the aftermath of the incident we have worked to understand what went wrong and taken steps to increase safety training and reinforce our life-saving rules, so everyone understands their role in maintaining a safe work site. We remain vigilant to ensure everyone who works for us gets home safely at the end of every shift.

Our Management Approach

Our approach to health and safety begins with our Corporate Responsibility Policy and Code of Business Conduct & Ethics. These policies commit our leaders, employees and contractors to meet all legal requirements and to uphold industry best practices and our eight Safety Commitments.

Our Corporate Responsibility Policy commits Cenovus to ensure efficient and effective management of emergency situations that have the potential to impact our company, stakeholders, the environment, our assets, our financial condition or our reputation.

Cenovus staff are also accountable for understanding and upholding our Fit for Duty Policy and Alcohol and Drug Standard, both of which require staff to report and remain fit for duty at all times.

Cenovus Operations Management System (COMS)

We rely on COMS as a key part of how we implement our safety commitments. Using COMS, we manage health and safety by:

- Integrating health and safety performance and improvements into our work at a leadership level
- Setting annual internal targets and goals for the organization and individual leaders and reviewing progress on goals and targets regularly throughout the year
- Ensuring there are clearly established accountabilities for safety roles
- Training staff and providing sufficient resources to support implementation of our health and safety management approach
- Engaging leaders, staff and contractors to identify hazards and risks company-wide by project
- Ensuring management controls are in place to address risks (risks to critical equipment and procedures are identified and managed through the Management of Change (MOC) process)
- Maintaining emergency response plans and organizational readiness to ensure that if an incident or near miss does occur, we respond to it in a safe and timely way
- Learning from previous incidents and implementing corrective actions to prevent them from occurring again

Leadership engagement

Participation and leadership in health and safety starts with active engagement from our Board and executive team. Safety is routinely discussed by the Safety, Environment & Responsibility Committee of the Board and the Cenovus executive team. Leaders

across the company have access to a variety of health and safety resources. These resources range from information on effectively identifying and controlling hazards, to providing training, to working collaboratively with employees and contractors.

Supervisors at all levels are also provided with the tools and support they need to coach and mentor staff on safety and to demonstrate the importance of safety through their daily actions and behaviours as leaders.

Worker engagement

We engage our staff using a variety of means to identify and address concerns relating to health and safety. They include:

- Our workplace health and safety committees, which provide a dedicated forum for staff and management to raise concerns and discuss efforts to continually improve our safety systems and performance
- Feedback from staff through our company-wide 2018 Safety Perceptions survey along with other channels such as our anonymous Integrity Helpline

Personal safety

Effective management of health and safety requires active involvement by all staff. We have implemented personal safety programs aimed at helping workers make better personal choices at work and at home. Key elements include:

- Hazard identification and control: Hazard analysis is conducted during the project planning stage and again at the field level before any work begins. Where appropriate, staff at our sites are also encouraged to Stop. Think. Act. if they identify a safety concern that requires mitigation.
- Life-saving rules: These safety rules are designed to reduce the likelihood of life-threatening injuries. Teams at our field sites and office locations began using the life-saving rules in 2015. In 2018, we decided to transition to the 10 rules recommended by Energy Safety Canada. By aligning with Energy Safety Canada, we now have the same rules as many of our peers and service companies. The consistent approach aligns with our industry's shared goal of zero injuries and zero incidents.

► Learn more

Contractor safety management

Service providers and contractors account for roughly 75 percent of the hours worked at our field operations, so it is critical that they are as committed to safety as our employees. We have established a comprehensive contractor safety program to integrate safety and reinforce performance through the selection, onboarding and continuous management of contractors who work on our behalf. Through our health and safety and supply chain processes, we collect information to help us select contractors and manage their safety performance based on:

- Past safety performance with other oil and gas companies
- Hazards, incidents and near misses reported on Cenovus sites
- Contractors' own internal health and safety program quality
- Results of contractor health and safety inspections and reviews conducted by Cenovus staff

Once selected, contractors are monitored to ensure compliance with our standards. This includes verification of regulatory requirements such as Workers' Compensation ratings.

Key Initiatives and Actions

Verifying contractor drug and alcohol policies

We expect all our contractors to have a fully-implemented alcohol and drug program that meets or exceeds Cenovus's program. In 2018, we continued to evaluate our contractors' alcohol and drug programs using ISNetworld. We also updated our Fit for Duty Policy to reflect the legalization of cannabis in Canada. All contractors must have an alcohol and drug program score of 100 percent to continue working at our field sites.

Asset Integrity Management

Process safety combines engineering and management disciplines to help prevent potentially high impact accidents such as explosions, fires and releases associated with the use of chemicals and petroleum products. At Cenovus, our approach to process safety is governed by COMS. COMS outlines the requirements and expectations for process risk identification, assessment and mitigation and continuous improvement at our operations. We have an asset integrity management team that focuses on the reliability and integrity of our operating assets to ensure safe and predictable performance.

Our integrity management and process safety management programs incorporate industry best practices and are designed to meet or exceed regulatory requirements. Process safety performance is specifically tracked and reported regularly to leadership in accordance with the CAPP Process Safety Event Reporting Guide, which is based on the American Petroleum Institute (API) Recommended Practice 754 and the International Association of Oil and Gas Producers (IOGP) Report 456.

Emergency Management

Emergency situations could potentially impact our staff, local communities, the environment, our assets, our financial condition or our reputation. Being prepared to respond quickly and safely in the initial stages of an emergency situation is critical.

Our Management Approach

At Cenovus, our commitment to ensuring efficient and effective emergency management is outlined in our Corporate Responsibility Policy and COMS. Our Emergency Management program is based on CSA Standard Z246.2 (Emergency preparedness and response for petroleum and natural gas industry systems). The Incident Command System (ICS) is used to manage emergencies should they occur.

All our operating locations maintain emergency response plans (ERPs) that are updated and tested regularly to ensure we have the appropriate people, facilities and equipment in place. We also conduct training exercises regularly and keep key stakeholders informed as part of the ERP development and annual ERP review process.

We maintain ongoing communication with local emergency services and health authorities, other stakeholders and members of the public who live near our operations to share information regarding the location of our operations, potential hazards or emergency situations and safety procedures in case of an emergency. This includes providing a detailed Emergency Management Program overview and 24-hour Emergency Contact information for the public on our website.

Key Initiatives and Actions

Emergency management exercises

We carried out a variety of emergency exercises in 2018 to evaluate our level of preparedness and ability to respond, including:

- Emergency management drills to test specific emergency response skills
- Simulated emergencies to evaluate our response to hypothetical scenarios in accordance with regulatory requirements
- Three full-scale emergency exercises that involved our senior leaders, teams from across the company and various third parties such as the Alberta Energy Regulator

Wildfire emergency response

After facing a number of wildfire-related emergencies over the last several years, we've been working to evaluate our response and identify key lessons, so we can continuously improve our wildfire monitoring, evacuation, shut-down and start-up activities. Wildfires are an environmental hazard to our operations given the location of our sites.

To help ensure wildfires are less likely to impact our sites, we create a perimeter of 10 to 30 metres around our operations that is kept clear of trees, brush and long grass. In addition, the site's working areas are either gravel or exposed earth. We also carefully evaluate all outdoor activities for wildfire risk and, if necessary, defer work that involves generating sparks or high heat until conditions improve.

► Learn more

Industrial hygiene

Cenovus's Industrial Hygiene (IH) team aims to reduce the risk of hazardous exposures, ensure regulatory compliance and improve our working conditions. The IH team does this by working closely with the business to develop and deliver strategies that identify, evaluate and control workplace health hazards that could affect the well-being of our workers or members of the community.

Occupational Health & Wellness

Supporting and encouraging employees to maintain personal health and well-being helps create a productive and effective workforce. Cenovus's occupational health and wellness programs provide tools and resources that promote the wellness of our employees and help manage health risks in the workplace. These programs include:

- The Employee & Family Assistance Program, which provides employees and their families with confidential counselling and support on issues that affect well-being, health and work performance
- Wellness programming, which provides health information seminars, group fitness, wellness classes and other resources to help staff learn more about health issues that matter to themselves and their family
- Disability management for employees with short- and long-term disabilities. This includes providing support to protect the health and safety of those who are able to remain engaged in the workplace during their period of disability as well as those who are returning to work following an injury or illness
- Onsite health centres, which provide readily available quality health care at our Christina Lake and Foster Creek sites, including first aid and acute care treatment, field health assessments, communicable disease management, as well as education and prevention programs. Benefits of these services include early treatment, decreased referrals and impact to health facilities in surrounding municipalities, reduced downtime and costs associated with offsite travel for medical care, a healthier site population and improved morale

At our Deep Basin assets, where we don't have dedicated health centres, we offer health assessments by third-party service providers, wellness programs and referrals to local public health facilities and resources.

Communicable disease prevention

We conduct an annual program to prevent the spread of communicable illnesses. This includes an influenza education and vaccination program at our Calgary offices and Christina Lake and Foster Creek sites. Our Occupational Health & Wellness team closely monitors health-related trends and takes steps to protect the well-being of our staff.

Key Initiatives and Actions

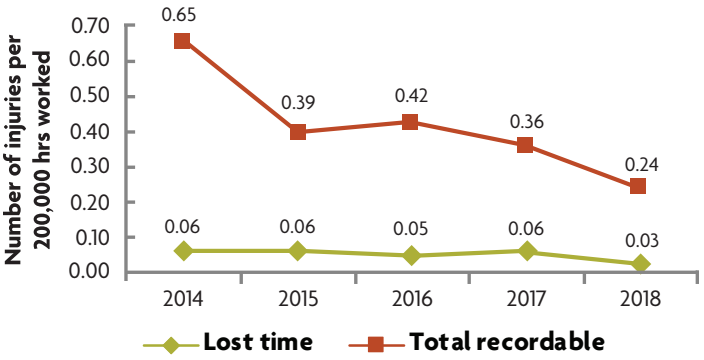
Not Myself Today

In 2018, we rolled out a new initiative for staff developed by the Canadian Mental Health Association. The Not Myself Today program aims to help teams and staff talk more about mental health, reducing the stigma associated with it and creating a more inclusive and supportive workplace. In addition to the program, we continue to provide mental health and wellness resources for staff, including support contacts and workshops.

Know your numbers

Know your numbers is a Cenovus-wide campaign that encourages all staff at our operations and office locations to make their cardiovascular health a priority at work and at home. Know your numbers resources and activities take place throughout February to coincide with national Heart Month.

Injury frequency (employees and contractors)



In 2018, we had a total recordable injury frequency (TRIF) of 0.24, our best ever. See our Health, Wellness and Safety data.

COMMUNITY

We have made a commitment to treat all communities near our operations fairly and with respect. This commitment begins with our Corporate Responsibility Policy.

Recognizing that every community is different, we focus on their individual needs. We go beyond just making financial donations and aim to develop opportunities that create long-term economic and social value for residents. Whenever possible, we hire locally and use businesses and services from the areas around our operations. We work with community partners to find ways to create programs, provide in-kind support and host and sponsor events that are meaningful to our communities. We also provide opportunities for our employees and their families to get involved through volunteering activities.

Stakeholder Engagement

Engagement is a critical part of our business. We want those who have a vested interest in our company to understand who we are and how we operate.

Hearing the different perspectives of our stakeholders informs our understanding of what issues are important to them so that we can provide relevant information and work toward solutions on issues of concern.

Information we gathered through engagement with our stakeholders informed our ESG key focus areas which were updated in June 2019 and used to define the content in this report. (*For more on the stakeholder groups we engage with, see the Our reporting approach section of this report*).

Our interactions with stakeholders vary from daily to monthly to annually. Some of the stakeholder groups we engaged with in 2018 include:

- Investors
- Governments and regulators
- Employees and contractors
- Local communities
- Indigenous communities
- Non-governmental organizations
- Associations and industry committees
- Economic development organizations
- Business partners
- Suppliers
- Academic institutions and think tanks
- Technology and cleantech companies
- Media outlets
- Trappers

COMMUNITY INVOLVEMENT AND INVESTMENT

Goals & targets	Examples of progress we made last year
Goal: Strengthen the communities where we live and work **Target:** Positively impact 250,000 youth by 2020	• Donated over $7 million to more than 600 organizations. These included over 100 organizations that are focused on building strong families and safe communities and increasing public access to key social and emergency services. • Provided 66 company-sponsored opportunities for our staff and teams to volunteer with the organizations that we support • In 2018, we surpassed our target to positively impact over 250,000 youth. We've now reached out to over 340,000 youth with our programming since 2016.

At Cenovus we realize we have a responsibility to manage our activities in the areas where we operate to create a positive impact for both communities and our business. As an energy company, we exist to help provide energy the world needs. We know that energy improves people's quality of life, and we want to reflect that in our community investment strategy. We're striving to ensure that the communities near our operations, where many of our staff live and work, are stronger and better off as a result of us being there.

Our Management Approach

Our community investment program helps us build meaningful relationships with our communities that reflect the long-term nature of our business. We engage with our communities on an ongoing basis to understand what their specific needs are so that we can focus our investments on organizations that will have the greatest community impact while complementing our business goals and priorities.

We tailor our community investment decisions based on our two priority areas:

- Giving Youth A Chance: Increasing literacy rates, supporting healthy lifestyles and building skills
- Strong Families, Safe Communities: Increasing access to key social and emergency services and sustaining community traditions

To maximize impact, identify best practices and continually improve, we evaluate our investments through our membership in London Benchmarking Group (LBG) Canada.

► Learn more

By providing volunteering and giving opportunities, our community investment program also aims to create a culture of engagement and a sense of pride among our employees.

We also coordinate numerous opportunities for staff members and their families to volunteer with organizations that Cenovus supports, and provide grants to other charitable organizations where our employees and their immediate family members like to volunteer.

Key Initiatives and Actions

Bringing the classroom into the community

We support Campus Calgary/Open Minds, an innovative school program that helps students and teachers gain unique perspectives outside traditional classrooms. For the 2018-19 school year, we've contributed $230,000 to programming at four campuses: Healthy Living School, Library School, Stampede School, and the newest classroom - Tinker School. A week at Tinker School, located at Science, Technology, Engineering and Math (STEM) Learning Labs, gives students a chance to immerse themselves in an innovative environment promoting critical thinking and creative problem solving. In 2019, we also officially opened the Cenovus Classroom at the Calgary Central Library.

► Learn more

Giving back

In 2018, we donated over $7 million to organizations that are committed to the needs of our local communities and are best aligned with our two priority areas. This includes more than $6 million in direct cash investments plus the estimated value of employee time donated during work hours, in-kind donations and program management costs. (*See our Community Investment data.*)

Since 2009, we have invested over $112 million in the communities around our operations through financial, in-kind and employee contribution matching. This includes:

- Over $5 million of donated in-kind goods (e.g. surplus office furniture, computers and tickets)
- Over 585 volunteer events for staff, teams and family members
- Matching over $14.5 million of employee donations to the organizations that matter to them

INDIGENOUS ENGAGEMENT

Goals & targets	Examples of progress we made last year
Goal: Build strong relationships with our local Indigenous communities and provide opportunities that will benefit both the communities and Cenovus	• Spent $197 million doing business with local Indigenous-owned companies or Indigenous joint ventures • Awarded 40 scholarships valued at $3,500 each for Indigenous students pursuing a full-time degree, diploma or certified trade

At many of our operations, Indigenous communities are among our closest and most important neighbours. Many of our operations take place on or near the traditional lands of Indigenous peoples. We build and maintain our relationships with local Indigenous communities by taking a responsible approach to safety and the environment, respecting their treaty and Indigenous rights as defined by law and ensuring that our development activities are mutually beneficial.

To build a relationship of mutual understanding and respect, we regularly engage with Indigenous communities. In addition to formal consultation, we participate and volunteer at community events, meet with community leadership and community engagement bodies, and attend committee meetings that guide the implementation of our long-term community agreements. Our 2019 ESG key focus areas assessment has identified Indigenous engagement as among the top focus areas for our company.

Alberta has rigorous standards for formal consultation with Indigenous communities potentially impacted by oil and gas development. Before a project begins, Cenovus provides the government with detailed information about the project. After conducting an assessment, the government provides us with a list of communities that need to be consulted. We also determine whether other groups, such as trappers and adjacent municipalities, could be impacted by our project. While we aren't always formally directed to engage with these other groups, we often do so voluntarily as a responsible operator.

We typically provide consultation capacity funding for Indigenous communities to help ensure they have the people and resources to effectively engage with us and the broader community about our proposed projects. We also provide annual consultation capacity funding as part of our long-term agreements with many First Nations and Métis communities adjacent to our oil sands operations.

Our Management Approach

Our approach to working with Indigenous communities focuses on six key areas:

- Consultation: We engage with communities regularly to help ensure they understand the potential impacts of our operations, so we can identify ways to mitigate these impacts. Cenovus not only works to meet regulatory requirements, but also to respect community consultation processes
- Relationships: Our relationships with Indigenous communities are forged based on mutual respect and trust
- Employment: We support education and training programs that may help community members find employment with Cenovus or another company
- Investment: We support a range of organizations focused on the needs that are important to each of our local communities
- Business: Whenever possible, we include local Indigenous-owned businesses in our supply chain. We've surpassed $2.7 billion in cumulative business spending with Indigenous-owned companies or Indigenous joint ventures in our operating areas since Cenovus launched in December of 2009. This reflects our efforts to engage Indigenous suppliers as well as the growing number of qualified Indigenous businesses. Learn more
- Long-term agreements: We've signed long-term benefit agreements with nine Indigenous communities around our oil sands operating areas. The agreements provide a framework for how we will interact with each other over the life of our projects and define our commitment to continue to invest in the community. Learn more

United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)

We believe UNDRIP provides a framework for reconciliation in Canada and establishes an important set of standards to help ensure Indigenous rights are respected around the world. We believe that meaningful consultation is at the heart of the declaration. By engaging in meaningful consultation, industry and Indigenous communities can better understand issues related to development and can work together to mitigate those issues and identify opportunities wherever possible.

► Learn more

Key Initiatives and Actions

Indigenous Inclusion Advisory Committee

Cenovus's internal Indigenous Inclusion Advisory Committee is comprised of senior leaders within the company. The mandate of the committee is to provide advice and guidance on meaningful inclusion of Indigenous people in our business, with a focus on supporting Indigenous business development. In 2018, the Committee underwent Indigenous awareness training. The group also created a framework for how we can continue to efficiently include Indigenous companies into Cenovus's business, considering a number of criteria for using local vendors.

Supporting Indigenous youth

We provide support for post-secondary education for Indigenous students living in the communities where we operate and across the province of Alberta. In 2018, we awarded 40 scholarships for Indigenous students who are pursuing a full-time degree, diploma or certified trade. These scholarships are valued at $3,500 each and are distributed in partnership with Indspire, a national Indigenous-led registered charity that invests in the education of Indigenous people.

► Learn more

We've also been partnering with the Northern Alberta Institute of Technology (NAIT) on the Indigenous Youth Leadership Program, which supports young people from Indigenous communities near our operations to participate in a week-long course designed to help Indigenous youth develop key business and life skills.

► Learn more

In 2019, Cenovus celebrated 20 years of partnership with Primco Dene. Owned by the community of Cold Lake First Nations (CLFN), Primco Dene employs over 700 people from 59 different First Nations and Métis communities in Alberta. Through the many years of working together, the leaders of CLFN have consistently told Cenovus they believed in the simple principle of a livelihood for a livelihood – meaning that their community must benefit from resource development through employment and business revenue. This mutually beneficial relationship has been a big part of Cenovus's success and is a model for Indigenous business development across Canada.

► Learn more

ENVIRONMENT

From the initial planning and design phase, to how we operate, to the decommissioning and reclamation of our project areas and facilities, we strive to be a responsible and sustainable developer of Canada's valuable oil and natural gas resources. That includes integrating environmental considerations into our business decisions and continuously working to minimize our impact and improve our environmental performance. As part of our 2019 ESG key focus areas assessment, we've identified carbon and climate, water stewardship and biodiversity as key focus areas for Cenovus.

► Learn more

With operations in Alberta and British Columbia, Cenovus is subject to some of the world's most rigorous regulatory processes and compliance requirements. Learn more about the regulatory environment and about the Alberta Energy Regulator, BC Oil & Gas Commission and National Energy Board.

Our Management Approach

We believe that strong environmental management and strong business performance go hand in hand. Our approach to environmental management begins with specific commitments made by our Board of Directors within our Corporate Responsibility Policy and Code of Business Conduct & Ethics. Environmental considerations are also integrated into our Enterprise Risk Management Policy and Enterprise Risk Management Standard.

Our Corporate Responsibility Policy specifically outlines our recognition that the environment has limits and that through science we will strive to understand these limits and operate within them by:

- Integrating an environmental perspective into our business plans, performance management, project development, operations, communications and stakeholder relations
- Using risk management throughout our operations to effectively mitigate environmental impact
- Pursuing improvements through proactive investment, internally and externally, in energy efficiency and conservation projects, new technology and research that will help create business value and reduce environmental impact

Organizational structure

Cenovus has teams of subject matter experts for air and GHG emissions, water, waste and spills, land and biodiversity, reclamation and remediation, compliance, environmental planning and assurance. They report to the Executive Vice-President, Stakeholder Engagement, Safety, Legal & General Counsel.

Cenovus Operations Management System (COMS)

We implement our company-wide policy commitments for the environment through the COMS. This includes:

- Managing environmental risks and performance through annual review, goal setting and business planning in alignment with our Corporate Responsibility Policy and our Environmental Commitments
- Identifying environmental and compliance related risks and potential impacts at a company-wide and project-specific scale
- Mitigating potential risks and impacts with management controls implemented through the planning, construction, operations and decommissioning phases of our projects
- Preparing for and effectively responding to environmental incidents, such as spills, when they occur
- Assuring our management controls are effective and identifying ways to continuously improve our environmental performance through internal inspections and audits, and addressing issues where they exist
- Ensuring clear accountabilities for environmental management are established and that knowledgeable, competent staff and sufficient resources are available to support implementation of our management system to manage the environmental aspects of our business

Measurement and reporting

As part of our commitment to transparency and to meeting all regulatory requirements, we track and report a broad range of environmental metrics and disclose our environmental management approach, risks and performance through our ESG report, Management's Discussion and Analysis (MD&A), Annual Information Form (AIF) and Management Information Circular.

Goals & targets	Examples of progress we made last year
Goal: Continuously improve our total upstream emissions performance to reduce GHG emissions intensity and position us for more stringent GHG regulations in the future **Goal:** Provide current and prospective investors with transparent and relevant disclosure on the carbon risks associated with our business	• Advanced pilot projects to test a solvent-aided process (SAP) and solvent-driven process (SDP) at our oil sand projects. SAP and SDP technologies have the potential to significantly reduce water usage, GHG emissions and costs at our oil sands operations • Decreased indirect GHG emissions company-wide compared with 2017

Climate Change

Cenovus recognizes the growing concerns globally about the effects of climate change and shares the goal of reducing GHG emissions.

Our operations consume energy and generate emissions, including indirect emissions from electricity we purchase from third parties and direct emissions from:

- Combustion equipment such as steam generators, boilers, heaters and reciprocating and centrifugal engines
- Flaring
- Fugitive emissions
- Venting (e.g. from gas pneumatic instruments, and storage tanks)

We recognize that operating in an ethical and environmentally, socially and fiscally responsible manner is important to strong financial performance and the long-term sustainability of our business. We have long recognized the need to assess and manage climate change related risks. We believe that thriving in a highly competitive, lower-carbon economy must be a priority for our industry and for Canada. This requires new solutions to solve the emissions and energy demand challenges our world faces. And it requires engagement in constructive discussions to support the development of effective policies and the advancement of technologies to reduce emissions.

Our Management Approach

Our approach to managing emissions and energy use includes a strong governance structure with regular briefings for our Board of Directors on climate change and related topics. We evaluate the risks, including carbon policy risks, to our business and operations, and deploy capital with a view to financial resilience under a range of future outlook scenarios. To further enhance our position on both carbon and cost leadership, we invest in technology. And we advocate for efficient energy policy that strikes the right balance between protecting the environment, providing economic benefit to all Canadians, and delivering energy the world needs. In addition, our management and staff compensation programs are tied to our environmental improvement commitment through our internal corporate scorecard.

We are also committed to being transparent about climate related risks and our efforts to address those risks. We regularly report on climate change related risk factors in our annual MD&A, and our management approach and performance are addressed in our annual ESG report. In 2018, we published *Cenovus's Carbon Disclosure: Managing climate-related risks*, following the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures. Starting this year, Cenovus's carbon disclosure is incorporated into our annual ESG report.

Key Initiatives and Actions

Cogeneration

Most of the steam required for our SAGD operations is produced using once-through steam generators (OTSGs). Cogeneration, or cogen, means producing steam and electricity at the same time from the same source. At Cenovus, we use natural gas to power a combustion turbine that generates electricity. This electricity is used to power our operations. At the same time, the exhaust heat from the turbine is used by our steam generators to reduce the amount of natural gas needed to heat water to produce steam.

When we produce more electricity than we need, we sell the surplus to Alberta's electrical grid for use by residents and businesses. Electricity from our cogeneration plants help reduce overall greenhouse gas emissions in the province because they create fewer emissions than coal-fired power, which accounts for 50 percent of Alberta's electricity generation.

Cogeneration is considered best-in-class for fossil fuel-based

power generation. It reduces the GHG emissions intensity of power generation by 30 percent compared to other natural gas-based power generation and by almost 65 percent compared to coal-based power generation.

Our first cogeneration plant is located at our Foster Creek facility and has been operational since 2003 with a maximum capacity of 98 MW. The second plant is at our Christina Lake facility and has been operating since late 2016 with a maximum capacity of 100 MW.

► Learn more

Solvent-aided process (SAP)

A SAP is a modification of SAGD which involves adding components of natural gas liquid (NGL), such as butane or propane, to the steam that's injected into the reservoir. These NGL components, which are a by-product of natural gas and are typically naturally present in our reservoirs in lower concentrations, work like a solvent, thinning the oil and allowing it to flow more freely to the producing well. SAP is a technological improvement that can be applied to SAGD operations to help maximize the amount of oil recovered, while also potentially reducing our environmental impact. We estimate that the implementation of SAP technology could help reduce our steam to oil ratio (SOR), or the amount of steam needed to produce a barrel of oil, by up to 30 percent, which would result in a corresponding 30 percent reduction in GHG emissions.

► Learn more

Solvent-driven process (SDP)

In 2017, we began to field test a new process at Foster Creek that we call a solvent-driven process or SDP. This process uses a much greater ratio of solvent to steam than our previous solvent pilots and has the potential to achieve even greater reductions in CO_2 emissions than SAP. Natural Resources Canada and Alberta Innovates are providing $7.5 million and $2 million in funding, respectively, for our SDP pilot which continues and has shown promising initial results.

Managing Climate Related Risks

Supply and demand fundamentals

Various international energy companies, government bodies, and intergovernmental organizations have released long-term supply and demand outlooks which help project the future energy landscape. These third-party scenarios draw similar conclusions, such as:

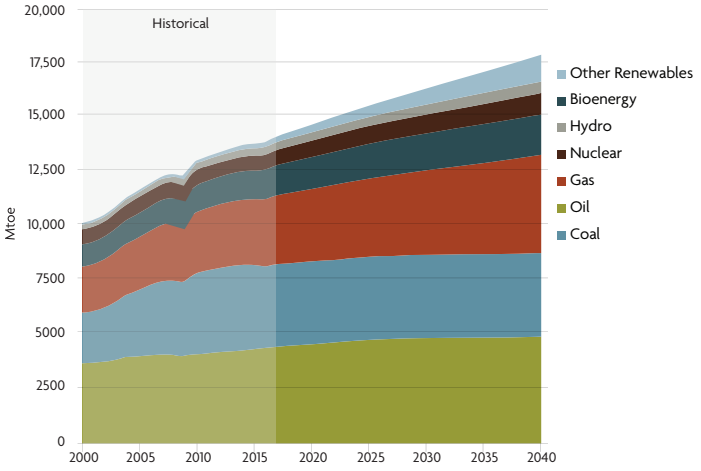
- Energy demand is expected to grow well into the future. Much of this growth will be concentrated in emerging markets, especially in China and India, as improving living standards and rapidly growing economies drive increased energy consumption in those regions
- Oil will remain a significant part of energy supply growth
- There will be aggressive growth in demand for natural gas and renewables due to increasing environmental constraints, with this growth largely resulting in a shift away from coal

Third-party forecasts cite numerous risks in their respective outlooks, which could potentially alter base-case conclusions. For example, under some scenarios, stringent environmental legislation combined with accelerated advancements in technology and energy efficiencies could result in peak oil demand sooner than currently expected. We will continue to monitor and evaluate our assumptions alongside policy developments as part of our ongoing climate risk assessment.

Low-carbon scenarios

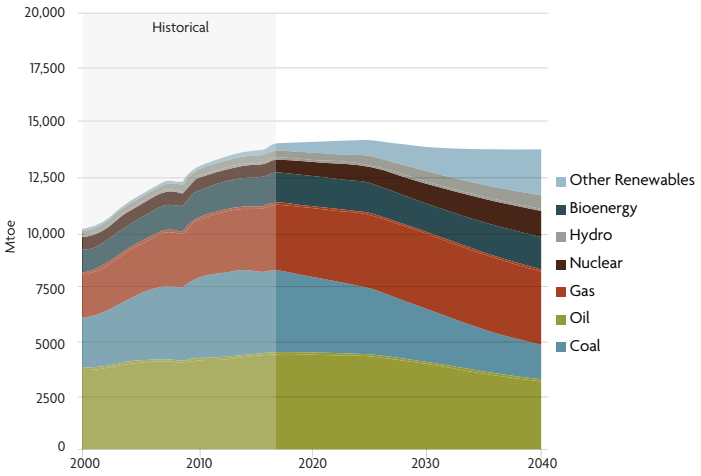
Cenovus's view is most aligned with the International Energy Agency's (IEA) World Economic Outlook (WEO) New Policies Scenario, where nations make efforts toward their climate targets while global oil demand continues to grow out to 2040 (see Figure 1).

Figure 1 IEA WEO New Policies Scenario



The IEA's WEO Sustainable Development Scenario is a more stringent low-carbon scenario where global temperature increases are not expected to exceed two degrees Celsius. Under this scenario, global oil demand is expected to decline moderately out to 2040 but will still meet a significant portion of global energy demand (see Figure 2).

Figure 2 IEA WEO Sustainable Development Scenario



Ultimately, under any IEA WEO scenario, a significant amount of new oil development is still expected to be required in the future to offset the natural decline rates of existing global production. With our portfolio of top-tier assets, industry leading cost structure and GHG emissions intensity, long average estimated reserve life and robust approach to risk management, we believe Cenovus is well positioned to remain financially resilient under any of these scenarios.

Governance

Strong corporate governance sets the foundation for our strategy to remain financially resilient over the long-term. The Safety, Environment and Responsibility (SER) Committee of the Board oversees and reviews matters relating to our Corporate Responsibility Policy which includes safety, social, environmental, economic, business conduct and ethical considerations.

To ensure our Board members are effective in their roles as stewards of Cenovus, it's critical they understand how climate change related risks relate to our company, the industry and our regulatory environment. As part of its governance role, the Board receives regular briefings that address emerging policy risk, regulatory performance and related topics, including climate change related risks.

For more information, please read the corporate governance section of our ESG Report and our Management Information Circular.

Risk management

Cenovus is exposed to a number of risks as we pursue our strategic objectives, some of which impact the oil and gas industry as a whole and others that are unique to our operations. Failure to manage significant risks to our business, including those related to GHG emissions, could have a material adverse effect on our reputation, financial condition, results of operations and cash flows.

Cenovus's approach to risk management includes the Board-approved Enterprise Risk Management (ERM) Policy, a risk management framework and related processes designed to help ensure compliance with the ERM Policy. The ERM Policy outlines expectations for the identification, measurement, prioritization and management of risk across Cenovus. It also defines our risk management principles as well as the roles and responsibilities of all staff. As part of our risk management program, we have supporting practices, procedures and risk assessment tools. This risk management framework is embedded as a core component into our management system and contains the key attributes recommended by the International Standards Organization (ISO) in its ISO 31000 – Risk Management Principles and Guidelines. The results of our enterprise risk management program are documented in an annual risk report presented to the Board as well as through quarterly updates.

Effective risk management is expected to help us maintain financial resilience in a lower-carbon economy. By leveraging risk management, we're better able to make informed decisions, prioritize capital and improve business and operating performance. As part of our strategy and business planning cycle, we identify risks that might prevent us from meeting our objectives. Risks are assessed considering the potential health and safety, operational, financial, environmental and regulatory or reputational impacts to our business in the context of our risk appetite. Risks are analyzed and prioritized based on impact and likelihood, and decisions are made based on this analysis. We also monitor and review our risk profile throughout the year to watch for changes in operating conditions to determine if risks need to be reassessed.

While various climate-related risks are discussed below, we believe that discussion of climate-related risks should not be taken in isolation, but within the context of all other significant risk factors. For more information on Cenovus's approach to risk management and a discussion of the significant financial, operational and regulatory risks relating to Cenovus, see our MD&A.

Future reporting of climate-related financial risk

Climate disclosure is a rapidly evolving field with a number of bodies providing advice on the subject. We will continue to investigate evolving and maturing best practices to guide the core elements of Cenovus's future climate-related disclosure. As relevant and consistent climate-related metrics and disclosure practices are identified and developed, they may be incorporated into our future reporting.

We plan to provide ongoing disclosure on how we are assessing and working to ensure our long-term resilience in a lower-carbon future, including disclosing emissions metrics and performance, through our annual ESG report. Future reporting on financial metrics and progress made against financial targets will continue to be included in relevant financial disclosures, such as our AIF, MD&A and corporate presentation.

Signpost tracking

We continue to update and refine our perspective based on our assessment of the overall business, policy, economic, social and technology environment, including the financial implications of climate-related risks. One of the ways we assess future risks to Cenovus is through ongoing monitoring of signposts that are relevant to maintaining our competitiveness under a future lower-carbon scenario. Such signposts include: improved energy efficiencies,

disruptive technologies, changes in supply or consumption and consumer behavior. Since commodity price risk is inherently linked to advancements in alternative energy technologies, Cenovus assesses technology signposts including, but not limited to, electric vehicle technology cost and demand, internal combustion engine efficiencies, and drilling and technology improvements.

Commodity prices

Under certain aggressive low-carbon scenarios, the potential for demand erosion for oil and natural gas may contribute to commodity price fluctuations. Oil and natural gas prices are also impacted by a number of other factors, including: global and regional supply and demand and economic conditions, the actions of the Organization of the Petroleum Exporting Countries (OPEC), government regulation, political stability, transportation constraints, weather conditions and the availability of alternative fuels. All of these factors are beyond our control and can result in a high degree of price volatility which may affect revenues generated from the sale of our products. Our financial performance is also affected by price differentials related to the quality and distance from major markets of our upstream production compared with the quality and location of products used to determine benchmark commodity prices quoted on financial exchanges. One of the methods we use to understand the impact of commodity price risk is to stress-test our corporate strategy against a variety of commodity price forecasts, including those that are more conservative than the IEA's WEO Sustainable Development Scenario.

Market access

Opposition to new and expanded pipeline projects is influenced by public perception, including concerns regarding GHG emissions associated with upstream hydrocarbon development and end-use combustion of fuels. The majority of our oil and natural gas production is transported to market by pipelines. Disruptions in, or restricted availability of, pipeline, rail or marine services could adversely affect our oil and natural gas sales, projected production growth, refining operations and cash flows. Insufficient transportation capacity for our production may impact our ability to efficiently access end markets and negatively impact our financial performance by way of higher transportation costs, wider price differentials, lower sales prices at specific locations or for specific grades of oil, and, in certain situations, shut-in production. In order to mitigate market access risk, we are supportive of new pipelines and pipeline expansion projects. We also operate the Bruderheim crude-by-rail terminal which provides long-term optionality in the case of pipeline constraints as well as access to niche markets where we expect we can receive higher prices for our product. Further, our refining assets help to mitigate some of our exposure to wider light-heavy differentials that may arise due to market access constraints.

GHG regulations and compliance

Various federal, provincial and U.S. state governments have announced intentions to regulate GHG emissions. Some of these regulations are in effect while others remain in various phases of review, discussion or implementation. Adverse impacts to our business as a result of comprehensive GHG legislation and regulations may include: increased compliance costs, permitting delays and substantial costs to generate or purchase emission credits or allowances, all of which may increase operating expenses and reduce demand for oil and certain refined products.

While Cenovus's operations are subject to carbon pricing in the provinces where we operate, our assets remain competitive. Cenovus's oil sands production has a GHG emissions intensity that is well below the top-quartile of Alberta-based in-situ production and comparable to the average barrel refined in the U.S.

In Alberta, Cenovus's oil sands and a portion of its Deep Basin operations are subject to a carbon pricing regime for large industrial emitters. Our Deep Basin oil and natural gas operations in British Columbia are subject to a carbon tax. While carbon pricing policies vary from province to province, the federal government has implemented a backstop national carbon pricing regime whereby emissions costs will increase to $40 per tonne in 2021 and $50 per tonne in 2022. In addition to GHG emissions pricing, provincial and federal governments are expected to finalize measures to reduce methane emissions from oil and gas activities by 45 percent by 2025.

Under Alberta's existing carbon policy, the province has also committed to limiting oil sands emissions to a province-wide total of 100 megatonnes per year. Total industry emissions are currently well below that level, and Cenovus does not expect the emissions limit will impede our ability to obtain the necessary environmental and regulatory approvals for new oil sands development. We have over 800,000 barrels per day of regulatory-approved oil sands production capacity including the current 390,000 barrels per day of installed capacity. Further, we do not expect the emissions limit will impede the continued operation of our existing oil sands projects given our best-in-class reservoir and emissions performance. We're focused on technology development, collaboration and innovation to help find both incremental and game-changing solutions to reduce our costs and the greenhouse gas emissions associated with the oil we produce.

Thriving in a Lower-Carbon Future

In addition to managing climate-related risk through our enterprise risk management framework, Cenovus is also advancing a strategy which leverages our premium asset quality. Advancing our strategy, along with technology and innovation, will help position us to thrive in a lower-carbon future. We believe low-cost producers are best positioned to not only absorb carbon compliance costs, but also compete with global producers to supply the world's future hydrocarbon demands.

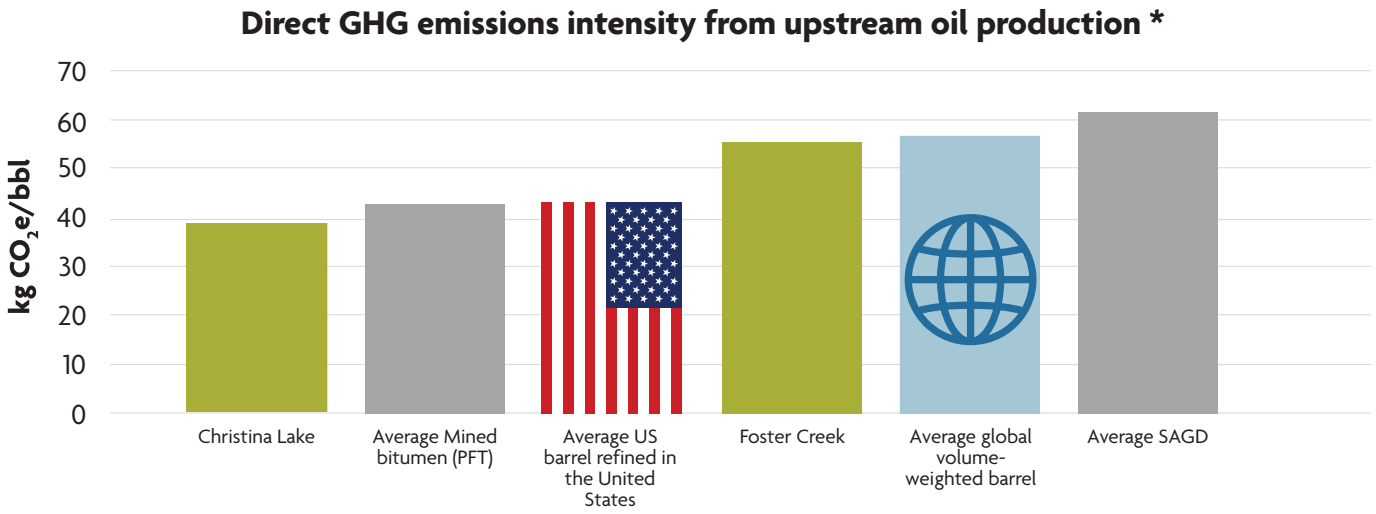
Premium asset quality

Cenovus has a deep portfolio of premium-quality oil sands, natural gas and natural gas liquids assets that we believe provide us with significant cost and environmental performance advantages. Our in situ oil sands projects and Deep Basin assets in Western Canada offer long and short-cycle opportunities that provide the capital investment flexibility to position us to deliver value growth at various points of the price cycle. In addition to our exploration and production assets, we have complementary interests in refineries and product transportation infrastructure. Our integrated business approach helps provide stability to our cash flow and maximize value for the oil and natural gas we produce.

Cenovus's oil sands assets have industry leading emissions performance (see Figure 3) that is comparable to the emissions performance of other forms of crude produced globally. Since 2004, we have been able to reduce our emissions intensity by about 30%, and our direct oil sands GHG emissions intensity is 45 percent below the oil sands industry average. Cenovus's oil sands production has an emissions intensity that is comparable to the average barrel of oil refined in the U.S.

Our oil and natural gas assets in the Deep Basin demonstrate a competitive level of carbon performance, when compared to available benchmarking data.

Cenovus maintains a portfolio approach in making risk-based capital allocation decisions. Carbon intensity, potential changes in carbon prices and the regulatory environment may impact our future portfolio decisions.



* Does not include GHG emissions related to transportation, upgrading/refining, or end-use combustion.

Testing our resiliency

Cenovus believes that GHG regulations and the cost of carbon at various price levels can be adequately accounted for as part of the business planning process. To mitigate uncertainty surrounding future emissions regulation, the Cenovus Leadership Team and Board regularly evaluate our development plans under a range of carbon constrained scenarios.

Maintaining industry-leading operating costs is expected to be vital to remaining competitive in the global market under aggressive low carbon policy scenarios where carbon compliance costs are higher. With our best-in-class steam-to-oil ratios (SORs), we expect to have among the lowest emissions compliance costs in the in situ oil sands industry. A low SOR also means lower capital and operating costs, lower energy usage, a smaller surface footprint and less water usage. Our low SOR, along with our continued efforts to reduce production costs, helps position Cenovus to remain competitive under a variety of scenarios, including ones where carbon pricing regulations are introduced to aggressively reduce GHG emissions. For more information on Cenovus's investment portfolio see our MD&A and our corporate presentation.

Taking action through technology and innovation

Technology and innovation are more critical to our success than ever before. Over the past few years, low oil and natural gas prices have persisted, while the world has increasingly turned its attention to climate change and reducing GHG emissions. Recognizing that financial performance is critical to corporate resiliency in a future that may be characterized by lower commodity prices and higher carbon prices, we are focused on continuing to reduce both our cost structure and emissions intensity through technology and innovation.

In the near term, we have been working on advancing solvent-aided processes at our oil sands operations and focusing on energy efficiency across our portfolio to help us further reduce our GHG emissions intensity while also reducing per-barrel operating costs. We also recognize that collaboration is essential to drive industry wide change and help solve the emissions challenge. We work with other companies, industry groups, policy leaders and academia to address these challenges together. Cenovus is driving towards a new model of innovation through our involvement in initiatives such as COSIA, Evok Innovations and the NRG COSIA Carbon XPRIZE. *For more information, see the Our Approach to Innovation section of this report.*

Incorporating a price on carbon

We believe carbon policy should provide a balance between environmental, economic and social outcomes. At our oil sands facilities, we are subject to carbon pricing on the portion of our emissions that exceeds industry wide benchmarks. Cenovus believes emissions reductions should be achieved at the least cost to Canadians, the economy and industry.

Carbon pricing should incent the development of carbon-reducing technology and innovation and also ensure that Canada remains cost and carbon competitive with other jurisdictions, especially the U.S. We have an economic incentive to reduce every tonne of carbon dioxide equivalent (CO_2e). When we consider investments in GHG emissions reduction technology, we make investments based on the marginal carbon price.

Emissions targets

Cenovus has always and will continue to assess our approach to climate change risk management with a view to maximizing shareholder value. We believe the right approach is to focus on environmental performance measures, including GHG emissions intensity, based on business plans for disciplined growth and the capital allocation priorities that we have committed to for the benefit of our shareholders. Any emissions target we set in the future will be aligned with our commitment to disciplined capital allocation, maintaining appropriate debt levels and growing shareholder value and returns. We have an oil sands emissions intensity metric on our internal corporate scorecard, which is a factor in determining staff compensation annually.

Recognizing that over 80 percent of the emissions from Cenovus's operations in 2017 were directly exposed to a price on carbon, we have an economic incentive to reduce our GHG emissions. We have consistently outperformed our regulatory emissions requirements under Alberta's Specified Gas Emitters Regulation across our Foster Creek and Christina Lake oil sands operations. We are also preparing to meet a new target to reduce methane emissions from our oil and gas production by 45 percent by 2025.

Beyond meeting our regulatory targets, we have taken a continuous improvement approach to further reducing our total upstream emissions. This is expected to help us reduce GHG compliance costs and fuel gas usage, while positioning us for more stringent GHG regulations in the future.

Methane

Studies have shown that methane has up to a 25 times greater comparative impact on climate change than CO_2 over a 100-year period, and recent research suggests the impact could be even greater. That's why reducing methane emissions is an important way to address the climate change challenge. Methane is the primary component of the natural gas we produce in our operations. Methane emissions mostly occur from venting and leaks (also called fugitive emissions). Leaks can come from a variety of production equipment including connectors, seals and valves.

Managing methane emissions is largely about the development and deployment of technology, an area in which Alberta has played a leading role. With its robust regulatory system, including established conservation requirements, limits on flaring and venting and guidelines to minimize fugitive emissions, the province has made significant progress towards established goals for methane emissions reduction.

At Cenovus, we have been proactively tracking and managing our methane emissions for many years. As part of this work, we have implemented a system for reporting unmetered fuel gas, flared gas and vented gas. This is in addition to the production accounting systems that Cenovus has for collecting and reporting metered volumes. We've already made significant progress in reducing methane emissions and intensity on a company-wide basis, and we are looking for further opportunities to reduce methane emissions.

► Learn more

Air quality management and energy efficiency

In accordance with the environmental approvals for our facilities, we monitor ambient air quality to ensure that sulphur dioxide (SO_2), hydrogen sulphide (H_2S) and nitrogen oxides (NO_x) concentrations do not exceed acceptable levels.

► Learn more

To help reduce air pollutants such as SO_2 and NO_x, as well as GHG emissions such as methane, we invest funds to implement technologies that help us reduce energy consumption in our day-to-day operations and processes. These technologies and efforts also ensure we meet existing air quality regulations and other requirements related to our project approvals.

Since Cenovus's inception in 2009, we've invested nearly $30 million to support energy efficiency initiatives. Actual spend varies year to year depending on the execution stage of long-term projects that we've committed to.

Examples of initiatives and technologies we've implemented to reduce energy use and manage air pollutants and methane emissions include:

- Retrofitting and upgrading equipment such as reciprocating engines with modern fuel management technology, utilizing electricity-driven chemical injection pumps rather than natural gas-driven pneumatic pumps and converting process instruments to use compressed air or electricity rather than natural gas. When we do need to use pneumatic instruments, we've been replacing so-called 'high-bleed' instruments that emit larger amounts of methane with newer 'low-bleed' instrument technology that minimizes methane emissions
- Installing technology to capture compressor packing vent gas for use as fuel
- Implementing our Fugitive Emissions Management Program to proactively assess and stop methane leaks at our facilities. When leaks are found, they are documented and repaired
- Installing sulphur scavenger units at each of our oil sands facilities to help ensure or exceed compliance for sulphur emission limits under Alberta's Environmental Protection and Enhancement Act
- Using flue gas recirculation technology as part of the standard facility design at Christina Lake to significantly reduce NO_x

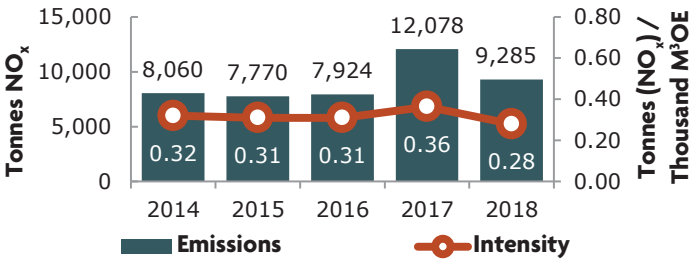
emissions. (For the majority of our equipment at Christina Lake, NO_x emissions are at least 50 percent below the regulatory threshold.) Learn more

- Engaging with federal and provincial governments to help develop effective air quality policies
- Using the infrastructure at our site and our extensive network of pipelines to separate solution gas from produced oil and water at the wellsite so we can use it for our operations or sell it rather than venting or flaring it
- Ensuring our oil and gas well completion process is designed to reduce emissions and conserve gas as much as possible, in compliance with Alberta Energy Regulator *Directive 060: Upstream Petroleum Industry Flaring, Incinerating and Venting*

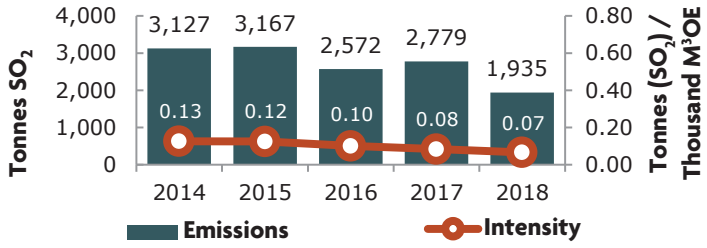
GHG emissions metrics

We track both direct and indirect GHG emissions on an absolute and intensity basis. We also track methane emissions and energy use.

NO_x emissions and intensity

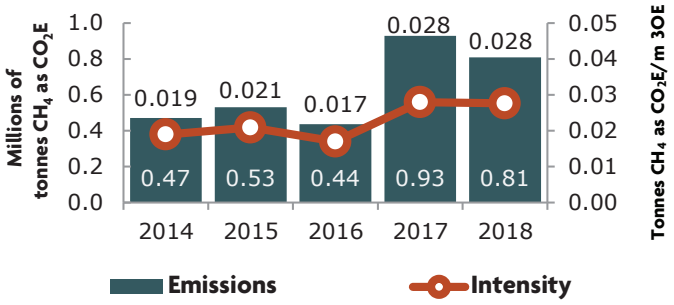


SO_2 emissions and intensity



NO_x and SO_2 are a by-product of the fuel combustion process. Cenovus-wide NO_x and SO_2 emissions decreased in 2018 as a result of conventional asset sales in early 2018. At our Christina Lake project, we use flue gas recirculation technology to reduce NO_x emissions. Our NO_x emissions at this facility are at least 50 percent below the regulatory threshold of 400 tonnes per year. See our emissions data.

Methane emissions and intensity



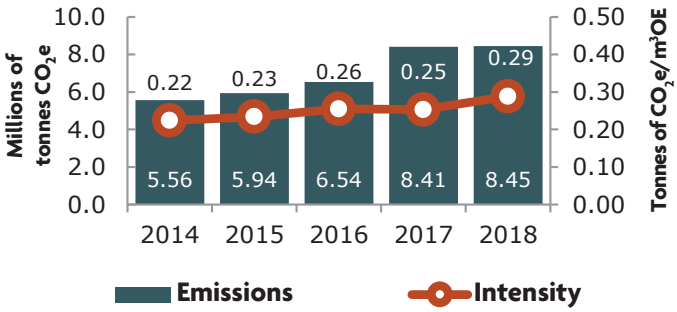
We had lower methane emissions and intensity in 2018, compared with 2017, mostly due to the sale of our conventional assets in early January 2018, reducing the number of facilities where methane leaks and emissions can occur. See our emissions data.

Methanol fuel cell

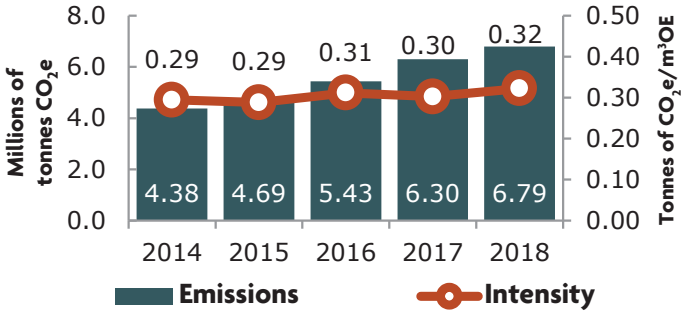
In 2018 we piloted a methanol fuel cell in our Deep Basin operations. Some sites require electrical power to operate equipment, but most of our assets in the area are too remote to be connected to the grid. In the past, we've relied on solar panels to provide the electricity needed. To account for times of low solar performance, such as reduced sunlight or snow cover, we used oversized solar panels to ensure a reliable stream of power. Thanks to recent advancements in fuel cell technology, we can now supplement solar with methanol powered electrochemical circuits. This cost-effective backup may reduce the size of solar packages without sacrificing reliability, allowing us to power our sites more efficiently while avoiding combustion-based power.

Emissions

Direct GHG emissions - company-wide



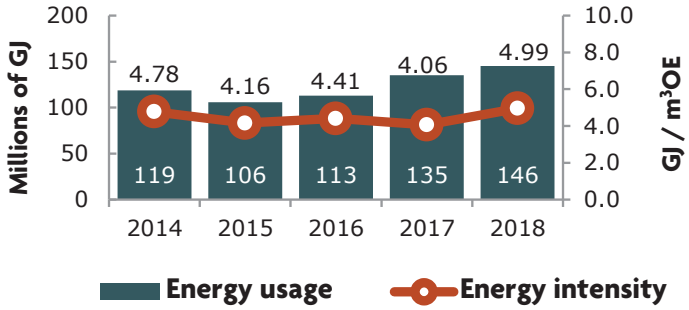
Direct GHG emissions - oil sands



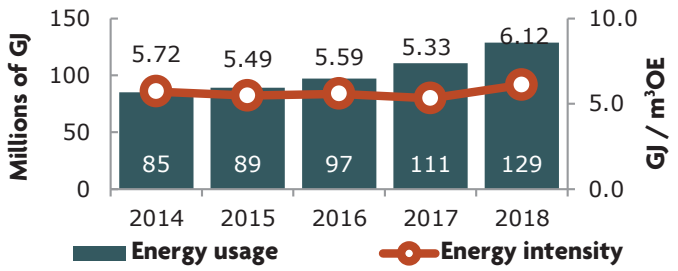
Direct GHG emissions company-wide and at our oil sands projects increased primarily due to higher oil sands production and additional production associated with the acquisition of our Deep Basin assets. Our company-wide and oil sands GHG emissions intensity increased in 2018 primarily due to voluntary curtailment of oil sands production volumes while maintaining normal steam injection levels, and increased maintenance activities. Cenovus voluntarily reduced oil sands production levels in 2018 in response to wide light-heavy oil price differentials. For more details see our emissions data.

Energy use

Energy use - company-wide

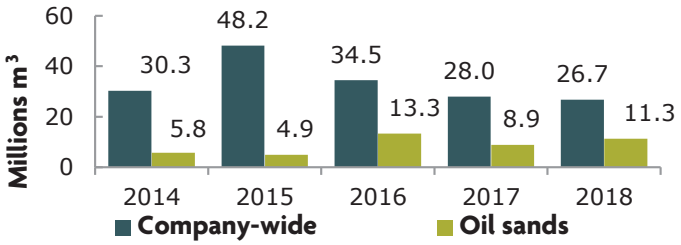


Energy use - oil sands



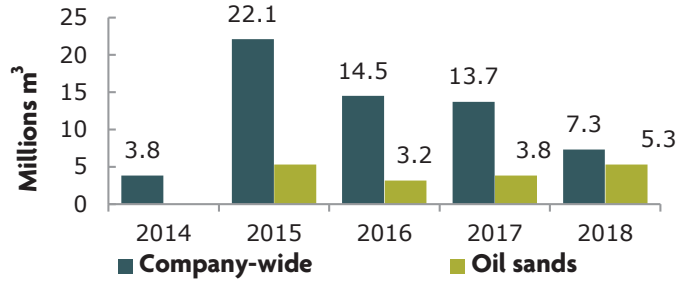
Company-wide energy use increased primarily due to increased oil sands production and additional production associated with the acquisition of our Deep Basin assets. Our company-wide energy use intensity increased due to higher oil sands production and an increase in flaring events due to plant or equipment upsets and maintenance activities. See our emissions data.

Total gas flared



Flaring is a controlled burning of natural gas. In 2018, we had more unplanned flaring events and higher flared volumes overall at our oil sands operations compared with 2017. To better manage flaring and venting, we have a fuel, flare and vent management program aimed at improving the quality of measurement and reporting of flaring data. See our emissions data.

Total gas vented



Venting is a controlled release of natural gas into the atmosphere. Company-wide venting decreased in 2018, compared with 2017, while total gas vented at our oil sands operations was higher due to the increased volume of venting at our Christina Lake facility. Higher company-wide venting data for 2015 through 2018 generally reflects improved measurement and tracking implemented for ESG reporting. Venting data for 2015 was also higher due to an isolated unplanned event. See our emissions data.

WATER

Goals & targets	Examples of progress we made last year
Goal: Manage our use of water resources efficiently and responsibly	• In 2018, our non-saline water use intensity for oil sands production was 0.10 barrels of non-saline water per barrel of oil produced. That's well below the industry average for in situ oil sands operators and the target set by COSIA members to reduce oil sands water use to 0.20 barrels of non-saline water for every barrel of oil produced.

We use water to create steam for the SAGD process at our oil sands projects, to drill and complete wells, maintain access roads at our sites and to run our camps. How we use water and the way that impacts the environment is important to Cenovus and our stakeholders in the areas where we operate. We're always looking for ways to reduce the amount of water we use and be more efficient with how we use it. We consider many options, including developing new technologies and processes to handle water, finding more ways to recycle and reuse water and identifying opportunities to use more saline and other non-fresh water sources for our operations.

Here's how our water use breaks down:

- Produced water: The vast majority of the water we use for our oil sands operations is produced water from our SAGD process. When steam is injected into the ground to heat the oil during SAGD, it condenses. Eventually water from the condensed steam as well as water that already exists naturally in the formation is brought to the surface with the oil. This water, called produced water, is separated from the oil and recycled over and over again to make more steam.
- Saline groundwater: When we need to draw additional water to make steam for our oil sands operations, we primarily use saline water from deep underground aquifers. That's salty water that's not fit for consumption or agricultural use.
- Non-saline groundwater: We use a limited amount of non-saline water which is water with a total dissolved solid concentration of <4000 mg/L from underground aquifers to generate steam in our oil sands operations. We also use non-saline groundwater to support our camp operations and provide other services, such as fire suppression at our facilities.
- Non-saline surface water: Only a small amount of the water we use across our operations comes from rivers, lakes or streams. We use this for drilling wells, construction, road maintenance and building ice roads. At our Deep Basin operations, surface water is also used for hydraulic fracturing. We do not use surface water to make steam in our oil sands operations.

Our Management Approach

We are committed to managing our use of water resources efficiently and responsibly. Through our Corporate Responsibility Policy, we continuously pursue improvements to our water management practices.

► Learn more

Pre-water use assessments for licensing

The Alberta and British Columbia governments closely monitor and regulate water use. We apply for licenses and are required to demonstrate how much water we will consume to avoid adversely affecting or disturbing the ecosystems in the area. We continue to monitor the water flow throughout the entire life of the project to successfully meet these requirements.

Hydraulic fracturing practices

We have voluntarily adopted the CAPP Guiding Principles for Hydraulic Fracturing and have established internal processes to implement best practices when undertaking hydraulic fracturing activities. These guiding principles include a commitment by industry to:

- Safeguard the quality and quantity of regional surface and groundwater resources through sound wellbore construction practices, sourcing fresh water alternatives where appropriate and recycling water for reuse as much as practical
- Measure, monitor and disclose water use with the goal of continuing to reduce our impact on the environment
- Support the development of fracturing fluid additives that have the least environmental risks
- Advance, collaborate on and communicate technologies and best practices that reduce the potential environmental risks of hydraulic fracturing

We disclose the hydraulic fracturing chemicals we use through fracfocus.org.

Regional planning collaboration

We actively engage with local communities, including Indigenous communities, on issues such as water use and impacts, through the regulatory process. We're a part of the Christina Lake Regional Water Management Agreement, where we work with other operators in the Christina Lake area to develop a collective approach to water use and demand.

Technology and innovation

We collaborate on technology development and water management best practices through COSIA, CAPP and the Petroleum Technology Alliance Canada (PTAC) - Water Innovation Planning Committee.

Monitoring

We comply with all regulatory requirements for construction, monitoring and reporting. Teams across the company also monitor our water use and potential impact on water quality. In addition, we work with other water users to better understand the long-term availability of water resources and to monitor ground and surface water in the vicinity of our operations.

Key Initiatives and Actions

Recycling and reusing water

We aim to reuse and recycle as much water for steam generation as possible. We do this by:

- Using innovations such as our patented blowdown boiler technology which can convert more than 90 percent of every barrel of water we use into steam, allowing us to recycle a greater percentage of the water we use. Through this technology we can potentially reduce our demand for additional water by up to 50 percent. Learn more
- Reusing camp wastewater after it has been treated and approved for release to build ice roads, for dust suppression and for our drilling activities. Learn more

Managing our steam to oil ratio

We continue to develop and invest in technologies to reduce our SOR, or the amount of steam (and water) we need to produce a barrel of oil at our oil sands operations. Examples of these technologies include:

Electrical submersible pumps (ESPs), which help us efficiently manage reservoir pressure and keep fluid volumes in the well and reservoir low to help keep heat in the reservoir. Keeping heat in the reservoir reduces the overall amount of steam we need to maintain appropriate reservoir temperatures.

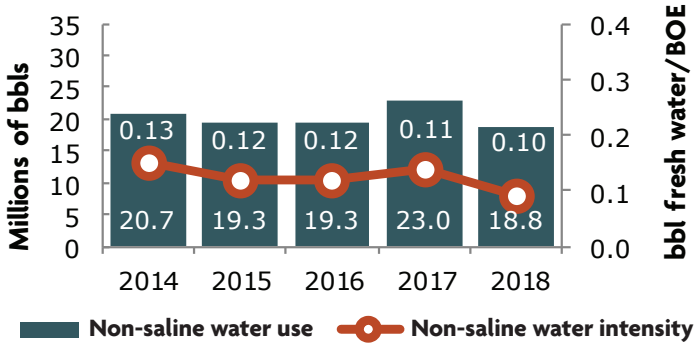
► Learn more

A SAP is a modification of SAGD, which involves adding natural gas liquid (NGL) components such as butane or propane to the steam that's injected into the reservoir. The NGL components help thin the oil and reduce our overall need for steam. We estimate that the implementation of a SAP could reduce our SOR, including our associated GHG emissions by about a third.

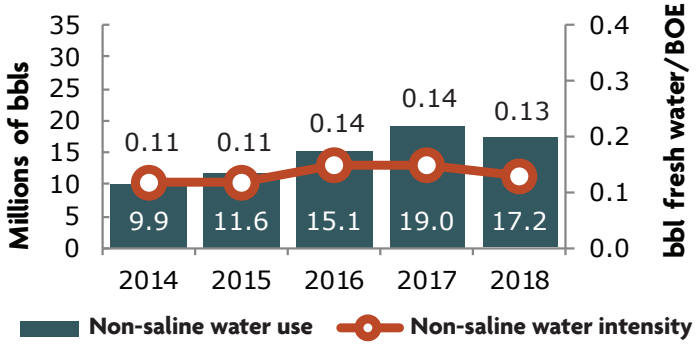
► Learn more

In our Deep Basin operations, we use water throughout the entire lifecycle of asset development. Water used for well completions is recovered at the surface and reused where feasible, helping to decrease our demand on fresh water sources. Alternative water sources (water requiring treatment to become potable) are identified and used where available and feasible. Most water we reuse requires little treatment for salinity or hydrocarbon contaminants.

Non-saline water use - company-wide



Non-saline water use - oil sands



Our 2018 company-wide non-saline water use decreased due to reduced drilling activity, reduced bitumen production and the divestment of our legacy conventional assets between September 2017 and January 2018. Our Deep Basin assets have relatively lower fresh water intensity than our oil sands projects. See our Water data.

BIODIVERSITY

Goals & targets	Examples of progress we made last year
Goal: Reduce habitat loss and impact on wildlife, particularly woodland caribou **Target:** Treat forest fragmentation within an area of approximately 3,900 square kilometres over ten years	• We planted approximately 399,000 trees in 2018, bringing total cumulative trees planted to nearly 855,000 since 2013 • We continued our work through COSIA on the Regional Industry Caribou Collaboration

Our activities on the landscape are temporary and we develop restoration plans even before we begin work on a project. When we design our facilities and operating procedures, we take biodiversity considerations into account so that we can restore the natural diversity of plants and animals at the end of a facility's life. Our approach to managing biodiversity includes avoidance, mitigation, monitoring and, where required, re-establishing disturbed habitat. This is important to our business and to our stakeholders in the areas where we operate.

Our Management Approach

Pre-project planning and assessment

All of our oil sands projects go through a detailed environmental impact assessment (EIA) prior to being approved. As part of the EIA process, we're required to assess potential impacts of our operations on vegetation, soils, wetlands, aquatic habitats and wildlife.

Before we begin development of a project, we complete pre-disturbance assessments to identify strategies to avoid, mitigate and monitor potential impacts to wildlife and habitat throughout the lifecycle of our projects and to reclaim the land once the projects are complete.

Wildlife mitigation and monitoring plans

As part of the regulatory approval process, we're required to submit comprehensive mitigation and monitoring plans for caribou and other wildlife. These plans commit us to specific measures such as minimizing barriers to wildlife movement, planning our activities to avoid sensitive times for various species, reducing our commercial footprint and restoring habitat. In addition, we also use specialized geomatics software that improves our biodiversity performance by helping us identify and map sensitive areas so that we can make more informed mitigation recommendations.

Research and innovation

For many years, the common industry practice for forest recovery was a passive approach, leaving the soil as is and letting trees regenerate on their own. Recognizing that this method made for a slow return to forest cover, we initiated research in the science of forest regeneration starting in 2008. Taking an active approach to restoration was groundbreaking, with Cenovus being the first company in the oil sands to do so. Since that time, we have tested a range of techniques to facilitate the return of natural forest cover, and results from this research and testing have contributed to widespread change in practices in our sector. Using techniques such as mounding the soil for tree planting in wet areas and adding woody debris has helped to accelerate restoration, and in some cases has helped triple the rate of tree growth in areas under reclamation.

Key Initiatives and Actions

Caribou habitat restoration

Cenovus has made woodland caribou, which are listed as threatened under the Canadian Species at Risk Act, a key environment and biodiversity priority. We've been working on major habitat restoration programs across northeast Alberta since 2008. We believe that caribou and industrial activity can co-exist, and that the oil and gas industry can play a leadership role in protecting and restoring caribou habitat. We'll continue to measure and monitor the results of our restoration work and share what we learn with others through COSIA. Find out how we're making significant progress on our voluntary 10-year, $32 million Cenovus Caribou Habitat Restoration Project.

Silviculture Toolkit

We're always innovating to make our reclamation techniques better. Through COSIA, we led a project with our peers, other industries and Natural Resources Canada to share best practices on forest reclamation. This included contributing our learnings from several years of pioneering successful restoration techniques. The result was a plain language toolkit for restoration efforts in Alberta. The Silviculture Toolkit is a knowledge-sharing hub for the best techniques on successful forest restoration.

► Learn more

Collaborating through COSIA to improve biodiversity

Cenovus is also partnering with other oil sands companies through COSIA on a number of other initiatives to help restore caribou habitat. This included leading a study to identify and prioritize zones for habitat restoration throughout northeast Alberta.

The project looked at existing industrial disturbances as well as the mineral resources underground to determine where there are large areas of caribou habitat that can be restored quickly with minimal likelihood of conflict with industry development plans. The results from the prioritization exercise support a working landscape concept, in which space for both industrial operations as well as caribou habitat can be maintained over the next century.

Regional Industry Caribou Collaboration

Cenovus is a founding member of the Regional Industry Caribou Collaboration (RICC), a group of companies from the oil sands and forestry sectors that work collaboratively across individual tenures and lease boundaries to deliver science-based research and monitoring and implement landscape-level habitat restoration projects in the East Side Athabasca River (ESAR) and Cold Lake caribou ranges

► Learn more

Boreal Ecological Recovery and Assessment (BERA) Project

An important part of reclamation is our ability to monitor and predict vegetation recovery in the area. To help mitigate our impacts, we've begun using remote monitoring technologies to track growth and measure forest recovery sites without further human disturbance. As an industry partner in the BERA Project, we're actively involved in testing these new monitoring initiatives.

► Learn more

Kitaskino Nuwenëné Wildland

In collaboration with oil sands producers Imperial Oil and Teck Resources, Cenovus voluntarily relinquished leased land in northern Alberta to help create a new provincial park in the province. Kitaskino Nuwenëné Wildland Provincial Park has over 160,000 hectares of protected land south of Wood Buffalo National Park.

DECOMISSIONING AND RECLAMATION

Goals & targets	Examples of progress we made last year
Goal: Manage our inactive well inventory and improve efficiency around well abandonment and reclamation.	• Reclaimed over 875 hectares of land and have over 3,641 hectares of land undergoing reclamation • Received 288 well site reclamation certificates

Once we've recovered as much oil and natural gas from our reservoirs as is economically feasible, we restore the land to a condition relatively comparable to the untouched land around it. All the land we use will ultimately be reclaimed, including access roads, well pads and seismic lines. Once the entire project is complete and the equipment and infrastructure are removed, we plant trees and other vegetation as needed and then let nature take its course.

How we manage the end-of-life phase of our facilities, and any associated financial liability, is important to Cenovus, our shareholders and our stakeholders. Since no two areas across our operations are the same, we give a lot of thought to our land use approach throughout the full lifecycle of our projects.

Our Management Approach

Our Corporate Responsibility Policy ensures that we properly manage our projects from initial construction through to decommissioning and reclamation. This includes re-establishing habitat to restore the natural diversity of plants and animals in areas where we operate, which we plan for well before we begin development of a project. The intent of our decommissioning and reclamation efforts is to minimize habitat loss, reduce our impact on wildlife and manage our inactive wells. We also aim to involve and support local communities and businesses in our reclamation activities.

Due to the long-term nature of oil sands projects, companies must develop and receive approval of plans for how affected areas will ultimately be reclaimed well before the project itself can begin. Reclamation certificates can only be issued once long-term monitoring shows that the reclaimed land meets the standards outlined by the Government of Alberta.

Once projects are constructed, they are managed as part of a proactive liability management program. We track and manage wells throughout their lifecycle, from initial planning through production, abandonment and reclamation. Information from our well management tracking systems helps us manage our inactive well inventory more effectively to ensure we follow governing regulations while also keeping costs low, reducing the length of time required for reclamation and managing our long-term liability appropriately. At remote locations, our land use strategy takes a single-entry abandonment and reclamation approach. We combine both activities to help minimize the number of winter roads we have to build to a site. Targeting the completion of abandonment and reclamation activities together results in potentially fewer impacts to local wildlife, significantly reduces costs and maximizes the number of sites we can reclaim in a given time period. (*See our Land data*.)

Key Initiatives and Actions

Advancing how we reclaim borrow pits

Borrow pits are areas from which we "borrow" clay, soil or gravel that we use to make roads and well pads at our sites. To encourage diversity of species when reclaiming borrow pits, we make use of techniques focused on creating rough and loose terrain, rather than smooth areas of land. Our use of mounding, rough and loose treatments, and the addition of course woody material encourages better growth of a range of native plants and trees, which is more desirable for wildlife and insects in the area. In 2018 we planted over 75,000 seedlings over 35 hectares of reclaimed borrow pits across our oil sands operations.

► Learn more

Full-scale decommissioning

In winter 2018, we initiated a large-scale single-entry abandonment program at our shut-in natural gas field near Ells River, approximately 100 kilometres northwest of Fort McMurray. Traditionally we have scheduled reclamation efforts to take place throughout the year. Following a detailed site assessment to better understand the local landscape, soil and vegetation, we developed a plan to decommission and reclaim the area all at once, rather than in phases. By decommissioning and reclaiming the entire asset at once, we were able to speed up the abandonment and reclamation process and minimize our impact on the surrounding land.

The inactive wells, facilities and pipelines were decommissioned using an ice road as an access point for services. Employing modern reclamation techniques such as heli-portable equipment, we successfully remediated all impacted soil at the site. We plan to re-enter the area to plant native tree species in the summer of 2019 and monitor regrowth for years to come.

SPILLS

Goals & targets	Examples of progress we made last year
Goal: Have zero significant spills* **Goal:** Improve spill prevention and respond effectively when spills occur	• Cenovus's operations leadership set internal corporate targets for reportable spill reductions and managed them throughout the year. This resulted in a reduction in spill count compared with 2017 and Cenovus was able to beat internal targets set for spills in 2018.

* A significant spill is one that could have a significant impact on the public, wildlife or the environment. For pipeline reporting purposes, the significance of a spill incident is defined based on the Alberta Energy Regulator's *High/Medium/Low consequence classification.*

While our goal is to have zero significant spills, incidents can and do happen despite the rigorous engineering controls and safety procedures we have in place. Managing our facilities and work practices to avoid spills, and having an effective response if they occur, is important to our local communities, employees and our business. Avoiding spills can increase productivity and reduce environmental impacts. Spills can occur while transferring materials between vessels, while loading and unloading and as a result of overfilling containers. Leaks from storage tanks, hoses, piping or other equipment, equipment failure and accidents such as motor vehicle incidents can also cause spills.

Our Management Approach

Cenovus applies risk management throughout our operations to effectively mitigate environmental impact. We work to proactively reduce the risk of spills through:

- Risk management, maintenance and asset integrity management: We apply rigour to our maintenance and asset integrity management activities. For example, we identify safety critical equipment where the potential for risk of impact from spills is highest, based on the type of equipment and chemical. We're continuously working to improve spill management through our safety programs. *For more about process safety, see the Health & Safety section of this report*.
- Tracking: We track spills across our operations and report key trends to management and operations teams to help identify the cause of spills and how they can be prevented. We continually work to better understand spill trends by improving spill reporting and analysis where possible.
- Awareness: Before a job begins, we identify and avoid potential spill hazards. We also work to raise spill prevention awareness among staff and contractors to prevent or reduce the number, size and extent of spills that occur in our operations. When spills do occur, they are reported and cleaned up with the goal of achieving no lasting impacts on the environment. The regulations we operate under specify whether a spill is reportable based on a combination of spill volume, the released substance and the location of the spill (i.e. off-lease or into water).
- When a spill is detected, Cenovus responds immediately, implementing containment and recovery plans while safeguarding the environment, the public and our workers.

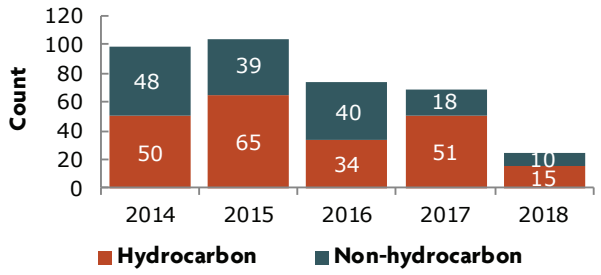
Key Initiatives and Actions

Using data to identify trends

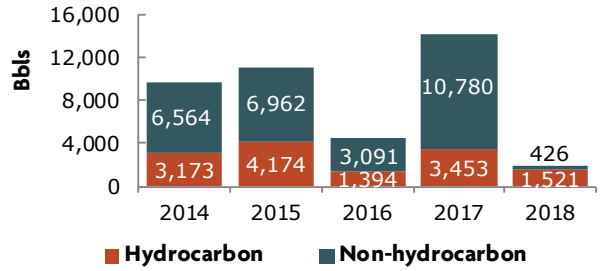
To help interpret and communicate the large amount of information collected related to environmental health and safety reporting, we developed an automated dashboard to show real-time performance information. Groups within the company can now examine data easily and find insights to improve prevention programs. The dashboard brings data from sources all over the company, and updates in real-time to show trends.

Spills

Spill count for reportable spills greater than one barrel - company-wide



Estimated spill volume for reportable spill greater than one barrel - company-wide



Our company-wide spill count and spill volumes improved compared with 2018 due to the successful implementation of maintenance and integrity programs, reduced level of capital activity and the divestiture of our legacy conventional assets in 2017 and early 2018. See our Spills data.

REPORTING DATA

The data in this report is based on available information from January 1, 2018 through December 31, 2018 for the corporate entities in which Cenovus was the operator. This includes 100 percent of the Foster Creek and Christina Lake projects, the Deep Basin conventional assets and the Bruderheim crude-by-rail facility. A detailed summary of the reporting boundaries for this report can be found in the GRI index & supplement below. All financial amounts are reported in Canadian dollars unless otherwise stated.

Cenovus's ESG report has been prepared in accordance with the Global Reporting Initiative (GRI) 2016 Standard to the 'Core' option. We also align our performance metrics with the IPIECA Oil and Gas Industry Guidance on Voluntary Sustainability Reporting.

Financial	2014	2015	2016	2017	2018	% change	Footnote	GRI 2016
Common shares outstanding (millions) - period end	757	833	833	1,229	1,229	-	-	
Market capitalization ($ millions)	18,148	14,583	16,916	14,107	11,796	-16%	-	102-7
Gross sales ($ millions)	20,107	13,207	12,282	18,623	21,403	15%	EN-08	
Adjusted Funds Flow ($ millions)	3,479	1,691	1,423	2,914	1,674	-43%	EN-01; EN-08	
Per share - diluted ($)	4.59	2.07	1.71	2.64	1.36	-48%	EN-08	
Annual capital investments ($ millions)	3.051	1,714	1,026	1,661	1,363	-18%	EN-02; EN-03; EN-08	201-1
Operating expenses ($ millions)	2,045	1,839	1,683	2,375	2,156	-9%	EN-06; EN-08	
Dividends per common share ($/share)	1.0648	0.8524	0.2000	0.2000	0.2000	-	-	201-1
Dividend yield (percentage)	4.4	4.9	1.0	1.7	2.1	24%	EN-04	
Current income tax expense (recovery) ($ millions)	92	574	(173)	(231)	(126)	-45%	EN-08	201-1
Gross employee wages and benefits ($ millions)	769	730	600	667	585	-12%	EN-05; EN-07; EN-08	201-1
Royalties ($ millions)	465	143	148	445	548	23%	EN-08	201-1
Total assets ($ millions)	24,695	25,791	25,258	40,933	35,174	-14%	-	102-7
Debt to capitalization ratio (percentage)	35	34	35	32	34	6%	EN-01	102-7
Net debt to capitalization ratio (percentage)	31	16	18	31	32	3%	EN-01	102-7

EN-01 Non-GAAP measure as referenced in our Advisory.

EN-02 Capital expenditures before acquisition capital.

EN-03 Includes expenditures on property, plant and equipment, exploration and evaluation assets and assets held for sale.

EN-04 Based on TSX closing share price at year end 2018 using annualized dividend.

EN-05 Employee salaries and benefits are recorded in either operating and general and administrative expenses, or property, plant and equipment and exploration and evaluation assets, corresponding to the type of service provided.

EN-06 Employee stock-based compensation costs previously included in operating expense were reclassified to general and administrative expense for 2014 and 2013 to conform to the presentation adopted in 2015.

EN-07 Gross employee wages include, salaries, short-term benefits, bonuses, pension costs and severance

EN-08 2017 and 2018 amounts include the results of the Company's Conventional segment, which was classified as a discontinued operation as required by International Financial Reporting Standards in 2017; see note 11 to the 2018 annual consolidated financial statements.

Operating Production		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Gross production, before royalties	Total (m^3OE/yr)	24,863,486	25,403,385	25,634,201	33,236,631	29,310,243	-12%	-	
	Oil sands bitumen (m^3OE/yr)	14,874,272	16,267,742	17,407,093	20,819,417	21,072,716	1%	-	
	Oil, NGLs, Condensate (m^3OE/yr)	5,383,799	4,959,115	4,532,668	4,199,964	1,250,614	-70%	OP-01	
	Natural Gas (m^3OE/yr)	5,302,328	4,869,842	4,450,096	8,217,056	6,986,913	-15%	-	
	Total (MBOE/yr)	155,170	158,673	160,228	209,153	184,457	-12%	OP-02	102-7
	Oil sands bitumen (Mbbls/yr)	93,602	102,371	109,541	131,014	132,616	1%	-	102-7

OP-01 Oil, NGLs and Condensate production decreased due to the sale of our legacy conventional assets in late 2017 and early 2018.

OP-02 Gross production numbers are disclosed in this report and converted to oil equivalents because we use these values to calculate our emissions and water intensities. Reported production values reflect practices outlined in the CAPP Guidelines for Calculating Greenhouse Gas Emissions (2003), are derived from gross operating production data from Petrinex and as such will vary from net production values reported in our financial reports. Natural gas is converted using a factor of 0.973 m^3OE per E^3m^3 natural gas. Bitumen, oil, NGLs and condensate are converted to m^3OE from m^3 using a 1:1 conversion factor.

Governance	2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Business conduct investigations	30	27	18	23	30	30%	GV-01	
Integrity Helpline intakes	161	117	81	84	64	-24%	-	
Political donations ($CAD)	131,000	62,000	14,700	0	0	-	GV-02	415-1

GV-01 Investigations can include (but are not limited to) compliance with laws and regulations, conflict of interest, fraud, confidentiality and disclosure and other potential breaches of policies and practices.

GV-02 As of March 2017, Cenovus no longer permits political donations as a matter of policy.

Indigenous Engagement & Community Investment	2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Indigenous business spending - annual ($ millions)*	384	297	198	240	197	-18%	CM-01	204-1
Percentage of operations with implemented local community engagement, impact assessments, and development programs	100%	100%	100%	100%	100%	-	CM-02	413-1
Total community investment ($MM CAD)	13.895	8.485	5.781	8.834	6.020	-32%	CM-03	

* This indicator assured by Ernst & Young LLP

CM-01 All goods and/or services provided by either an Indigenous-owned company (51 percent or more ownership) or an Indigenous joint venture. The 2015 number reflects the total amount for goods and/or services provided in 2016 invoiced at the time the Aboriginal business spend report was generated. The reduction in Indigenous Business spend from 2017 to 2018 is consistent with the reduction in Cenovus's total capital spending year over year.

CM-02 Cenovus undertakes a number of activities relating to community engagement and impact assessments depending on the scale of our operations within a region and the type of impact they may have. Some programs, such as our Integrity Helpline and Expect Respect programs, apply to 100 percent of our operations. Our oil sands operations in northern Alberta have more extensive assessment and engagement activities than in Deep Basin. For example, environmental impact assessments that include a socio-economic impact analysis are required as part of the regulatory process for our oil sands projects. Approvals we have received for our oil sands projects through this process require ongoing environmental monitoring programs. Additionally, Cenovus undertakes regular stakeholder engagement activities and has developed a number of long-term agreements with Indigenous communities in our oil sands operating regions.

CM-03 Total value of company community investments as audited by the London Benchmarking Group (LBG) Canada. The reduction in community investment spend from 2017 to 2018 is related to the reduction in Cenovus's total capital spending year over year.

Health, Wellness and Safety		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Total recordable injury frequency	**Total ***	0.65	0.39	0.42	0.36	0.24	-33%	HS-01	403-2
	Employees	0.14	0.14	0.18	0.15	0.18	20%	HS-01	403-2
	Contractors	0.75	0.46	0.50	0.43	0.26	-40%	HS-01	403-2
Lost time injury frequency	**Total ***	0.06	0.06	0.05	0.06	0.03	-50%	HS-02	403-2
	Employees	0.03	0.06	0.00	0.03	0.00	-100%	HS-02	403-2
	Contractors	0.06	0.06	0.07	0.07	0.04	-43%	HS-02	403-2
Process safety events	Tier I	-	1	0	4	6	50%	HS-03	OG-13
	Tier II	-	5	6	16	10	-38%	HS-03	OG-13
Fatalities	**Total ***	0	0	0	0	1	-	-	403-2

* Indicator assured by Ernst & Young LLP

HS-01 Recordable injuries include lost-time injuries, restricted-work injuries as well as medical aid injuries. Medical aid injuries require medical attention but do not result in an employee being absent from work. Recordable injury frequency is the total number of recordable injuries per 200,000 hours worked.

HS-02 A lost time injury is any injury that prevents a worker from returning to work the day following an incident and any subsequent work day beyond the day of the event. Lost time injury frequency is the total number of such injuries per 200,000 hours worked.

HS-03 Cenovus follows the Canadian Association of Petroleum Producers (CAPP) Process Safety Event Reporting Guide, which is based on the American Petroleum Institute (API) Recommended Practice 754 and the International Association of Oil and Gas Producers (IOGP) Report 456. We are also an active member of CAPP's Process Safety Management Committee and are dedicated to improving process safety at Cenovus and throughout industry through shared learnings and strategies.

Workforce		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Voluntary employee turnover (percentage)		4.4%	2.9%	3.1%	3.8%	6.3%	66%	WF-02	401-1
Total workforce	**Total**	5,239	3,985	3,528	3,858	3,042	-21%	WF-01	102-7
	Employees	3,557	3,013	2,781	2,882	2,264	-21%	WF-01	102-7
	Contractors	1,682	972	747	976	778	-20%	WF-01	102-7
Gender breakdown (employees)	Male - **Total**	2,477	2,164	2,020	2,043	1,627	-20%	-	102-8; 405-1
	Office	1,123	886	842	918	672	-27%	-	102-8; 405-1
	Field	1,354	1,278	1,178	1,125	955	-15%	-	102-8; 405-1
	Female - **Total**	1,080	849	761	839	637	-24%	-	102-8; 405-1
	Office	935	720	648	729	551	-24%	-	102-8; 405-1
	Field	145	129	113	110	86	-22%	-	102-8; 405-1
Age (employees)	<26	198	148	85	70	47	-33%	-	405-1
	26-30	450	413	350	309	228	-26%	-	405-1
	31-35	605	525	495	535	407	-24%	-	405-1
	36-40	544	476	458	496	425	-14%	-	405-1
	41-45	519	436	431	449	369	-18%	-	405-1
	46-50	430	378	373	376	296	-21%	-	405-1
	51-55	441	353	312	324	257	-21%	-	405-1
	56-60	268	208	206	231	181	-22%	-	405-1
	>60	102	76	71	92	54	-41%	-	405-1
Average age (employees)	Company-wide	41	41	41	42	42	-	-	405-1
	Office	40	42	42	42	43	2%	-	405-1
	Field	42	40	41	41	41	-	-	405-1
Percentage of employees female	Company-wide	30%	28%	27%	29%	28%	-3%	-	405-1
	Management positions	27%	26%	25%	23%	23%	-	-	405-1
	Junior management positions	26%	25%	24%	24%	25%	4%	-	405-1
	Top management positions	19%	18%	22%	13%	20%	54%	WF-03	405-1
Location of employees (count)	Office	2,058	1,606	1,490	1,646	1,223	-26%	-	102-7
	Field	1,499	1,407	1,291	1,236	1,041	-16%	-	102-7
Percent of employees covered by performance reviews	Management by Objective appraisal	100%	100%	100%	100%	100%	-	-	404-3
	Multidimensional performance appraisal	100%	100%	100%	100%	100%	-	-	404-3

WF-01 Employee total is based on head count and includes part-time employees.

WF-02 Our methodology changed in 2018 to include voluntary retirement, which has been excluded from the data in previous years. The three main reasons why employees left Cenovus were better job fit and career opportunity, retirement and family/personal reasons.

WF-03 Our methodology changed in 2018 to include the following employee categories: President & CEO, Executive Vice-President, Senior Vice-President, Vice-President and Chief.

Environmental Compliance	2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Monetary value of significant fines and total non-monetary sanctions for non-compliance with environmental laws and regulations ($CAD)	0	0	0	0	0	-		307-1

Air		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
SO_2 emissions (tonnes)	Company-wide*	3,127	3,167	2,572	2,779	1,935	-30%	EM-01; EM-08	305-7
	Oil sands	903	942	1,083	1,508	1,646	9%	EM-08	
SO_2 emissions intensity (tonnes/thousand m^3OE)	Company-wide	0.13	0.12	0.10	0.08	0.07	-12%	EM-08	
	Oil sands	0.06	0.06	0.06	0.07	0.08	14%	EM-08	
NO_x emissions (tonnes)	Company-wide*	8,060	7,770	7,924	12,078	9,285	-22%	EM-01; EM-08	305-7
	Oil sands	1,699	1,986	2,100	2,443	2,720	8%	EM-08	
NO_x emissions intensity (tonnes/thousand m^3OE)	Company-wide	0.32	0.31	0.31	0.36	0.28	-23%	EM-08	
	Oil sands	0.11	0.12	0.12	0.12	0.13	11%	EM-08	
Volatile Organic Compounds (VOCs) (tonnes)	Company-wide	2,446	5,088	2,306	4,688	3,224	-31%	EM-08	305-7
	Oil sands	195	2,686	382	1,043	419	-60%	EM-08	
Total Particulate Matter (tonnes)	Company-wide	81	73	97	113	189	67%	EM-11	305-7
	Oil sands	29	26	61	54	129	138%	EM-11	
Total gas flared ($1000m^3$)	Company-wide	30,266	48,199	34,479	28,042	26,746	-5%	EM-02	305-7
	Oil sands	5,789	4,910	13,334	8,926	11,288	26%	EM-08	
Total gas vented ($1000m^3$)	Company-wide	3,834	22,094	14,496	13,732	7,328	-47%	EM-03; EM-08	305-7
	Oil sands	see footnote	5,330	3,166	3,830	5,325	39%	EM-03; EM-08	

Greenhouse Gases (GHGs)		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Direct GHG emissions (MT CO_2E) - all sources	Company-wide*	5.564	5.945	6.540	8.411	8.454	1%	EM-08	305-1
	Oil sands*	4.381	4.689	5.431	6.299	6.789	8%	EM-10	305-1
Direct GHG emissions intensity (Tonnes CO_2E/m^3OE)	Company-wide*	0.224	0.234	0.255	0.253	0.288	14%	EM-08; EM-12	305-4
	Oil sands*	0.295	0.288	0.312	0.303	0.322	6%	EM-08; EM-12	305-4
GHG emissions intensity percent reduction from 2004	Oil sands	33%	35%	29%	31%	27%	-13%	EM-09	
Direct GHG emissions by source (MT CO_2E) - Company-wide	Combustion	5.110	5.379	6.095	7.473	7.597	2%	-	
	Flaring	0.066	0.103	0.078	0.066	0.064	-3%	-	
	Venting	0.211	0.289	0.185	0.307	0.259	-16%	-	
	Fugitives	0.178	0.174	0.181	0.564	0.534	-5%	-	
Direct GHG Emissions by Constituent - Company-wide	CO_2 (MT)	5.079	5.398	6.086	7.458	7.617	2%	-	
	CH_4 (MT)	0.019	0.021	0.017	0.037	0.032	-14%	-	
	N_2O (MT)	0.0001	0.0001	0.0001	0.0001	0.0001	13%	-	
Indirect GHG emissions (MT CO_2E)	Company-wide *	1.379	1.293	1.247	1.042	0.382	-63%	EM-04	305-2
	Oil sands *	0.366	0.384	0.400	0.061	0.050	-18%	EM-08	305-2
Indirect GHG emissions intensity (tonnes CO_2E/m^3OE)	Company-wide	0.041	0.039	0.037	0.031	0.013	-58%	EM-08	305-4
	Oil sands	0.025	0.024	0.023	0.003	0.002	19%	EM-08	305-4

Methane		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Methane emissions (MT CO_2E)	Company-wide*	0.471	0.531	0.436	0.929	0.810	-13%	EM-07; EM-08	305-1
	Oil sands*	0.005	0.033	0.022	0.021	0.039	86%	EM-07; EM-08	305-1
Methane emissions intensity (tonnes CO_2E/m^3OE)	Company-wide	0.019	0.021	0.017	0.028	0.028	-	EM-08	305-1
	Oil sands	0.0003	0.0020	0.0013	0.0010	0.0018	80%	EM-07; EM-08	305-1
Methane emissions from Natural Gas Production (MT CO_2E)	Company-wide	see footnote	0.828	0.301	0.800	0.720	-10%	EM-06; EM-08	305-1
Methane emissions intensity from natural gas production (tonnes CO_2E/m^3OE)	Company-wide	see footnote	0.1700	0.0676	0.0974	0.1034	6%	EM-06; EM-08	

Energy		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Energy use (millions GJ)	Company-wide*	118.799	105.701	113.079	135.040	146.182	8%	EM-05; EM-08	302-1
	Oil sands*	85.124	89.243	97.226	110.865	128.902	16%	EM-08	302-1
Energy intensity (GJ/ m^3OE)	Company-wide*	4.8	4.2	4.4	4.1	5.0	22%	EM-08	302-1
	Oil sands*	5.7	5.5	5.6	5.3	6.1	15%	EM-08	302-1

* Indicator assured by Ernst & Young LLP

EM-01 NO_X and SO_2 are a byproduct of the fuel combustion process. Cenovus-wide NOx and SO_2 emissions decreased in 2018, which reflected the sale of our legacy conventional assets. At our Christina Lake project, we use flue gas recirculation technology to reduce NO_X emissions. Our NO_X emissions at Christina Lake are at least 50 percent below the regulatory threshold of 400 tonnes.

EM-02 Flaring is a controlled burning of natural gas. In 2018, the amount of gas flared company-wide decreased due to the sale of our legacy conventional assets. Flaring increased at our Christina Lake operations due to plant-wide shutdowns and maintenance activities. To better manage flaring and venting, we have a fuel, flare and vent management program aimed at improving the quality of measurement and reporting of flaring data to support better management.

EM-03 Venting is a controlled release of natural gas into the atmosphere. In 2018, we had a decrease in venting company-wide due to legacy conventional asset sales. The increase in oil sands venting in 2015 onward from previous years reflects improved measurement and tracking for ESG reporting, with 2015 being notably higher due to a single unforeseen isolated event.

EM-04 The decrease in indirect GHG emissions and intensity is due to the sale of our legacy conventional assets, and a scaling up of production in our oil sands assets and additional cogeneration capacity at our Christina Lake oil sands facility, which resulted in less purchased electricity.

EM-05 In 2018, our company-wide energy use increased, reflecting the growing production in our oil sands assets and added production from the acquisition of our Deep Basin assets. Energy intensity decreased due to a scaling up of production in our oil sands assets and additional cogeneration capacity at our Christina Lake oil sands facility, which resulted in less purchased electricity.

EM-06 Data for years prior to 2015 was not available at the time of reporting but will be provided in future reporting years where possible.

EM-07 We had lower methane emissions company-wide in 2018, mostly due to the sale of our conventional assets. Methane emissions at our oil sands operations were higher in 2018 due to increased flaring and venting at Christina Lake.

EM-08 Methodology based on CAPP Guide to Calculating Greenhouse Gas Emissions (CAPP, 2003) and guided by requirements of the Alberta Specified Gas Reporting Regulation, where applicable. CAPP 2014 Responsible Canadian Energy Metrics Guide (CAPP, 2014), and CAPP Guide: A Recommended Approach to Completing the National Pollutant Release Inventory (NPRI) for the Upstream Oil and Gas Industry (2007).

EM-09 Oil sands percent reduction calculated from 2004 baseline value of 0.441 tonnes CO_2E/m_3OE.

EM-10 Direct GHG emissions company-wide and at our oil sands projects increased primarily due to higher oil sands production and additional production associated with the acquisition of our Deep Basin assets. Our company-wide GHG emissions intensity increased in 2018 primarily due to plant shutdowns and increased maintenance activities at our oil sands projects

EM-11 Due to increased flaring at our Christina Lake operations, particulate matter was higher in 2018.

EM-12 Our company-wide and oil sands GHG emissions intensity increased in 2018 primarily due to voluntary curtailment of oil sands production volumes and increased maintenance activities. Cenovus voluntarily reduced oil sands production volumes in 2018 in response to wide light-heavy oil price differentials in the first and fourth quarters of the year. At the same time, the company maintained normal steam injection levels to continue mobilizing oil in the reservoir for recovery and sale at a later date. This temporarily increased per-barrel emissions at our oil sands operations.

Land	2014	2015	2016	2017	2018	% change	Footnote	GRI 2016
Total area under reclamation (hectares)	6,091	5,721	4,780	3,900	3,641	-7%	LD-01	304-3
Well site reclamation certificates received	67	59	235	157	288	83%	LD-01	304-3
Total wells undergoing active reclamation	3,236	3,617	3,743	2,077	3,283	58%	LD-01	304-3
Total reclaimed land (hectares)	288	155	1,136	795	875	10%	LD-01	304-3

LD-01 Reduction in area under reclamation is due to legacy conventional asset divestitures. Total area and number of sites under reclamation include both oil sands and Deep Basin assets for 2018. Data prior to 2018 does not include Deep Basin assets. Reclamation certificates increased from 2017 due to a large number of certificates received for our non-core assets in Saskatchewan.

Spills			2014	2015	2016	2017	2018	% change	Footnote	GRI 2016
Reportable spills greater than 1 bbl	Company-wide	**Total ***	98	104	74	69	25	-64%	SP-01	306-3
		Hydrocarbon	50	65	34	51	15	-71%	SP-01	306-3
		Non-hydrocarbon	48	39	40	18	10	-44%	SP-01	306-3
	Oil sands	**Total**	45	39	35	26	17	-35%	SP-01	306-3
		Hydrocarbon	9	14	9	11	8	-27%	SP-01	306-3
		Non-hydrocarbon	36	25	26	15	9	-40%	SP-01	306-3
Estimated volume spilled for reportable spills > 1 bbl (bbls)	Company-wide	**Total ***	9,737	11,136	4,485	14,234	1,947	-86%	SP-01	306-3
		Hydrocarbon	3,173	4,174	1,394	3,453	1,521	-56%	SP-01	306-3
		Non-hydrocarbon	6,564	6,962	3,091	10,780	426	-96%	SP-01	306-3
	Oil sands	**Total**	5,708	5,174	1,800	2,507	1,033	-59%	SP-01	306-3
		Hydrocarbon	656	995	246	1,331	611	-54%	SP-01	306-3
		Non-hydrocarbon	5,052	4,179	1,553	1,176	423	-64%	SP-01	306-3

* This indicator assured by Ernst & Young LLP

SP-01 Our company-wide spill count and spill volumes improved compared with 2018 due to the successful implementation of maintenance and integrity programs, reduced level of capital activity and the divestiture of our legacy conventional assets in 2017 and early 2018.

Waste			2014	2015	2016	2017	2018	% change	Footnote	GRI 2016
Waste (tonnes)	Company-wide	**Total**	924,683	461,133	421,552	678,668	474,804	-	WS-01	306-2
		Hazardous	232,626	104,757	165,271	21,523	115,860	-	WS-01	306-2
		Non-hazardous	692,057	356,376	256,280	657,145	358,945	-	WS-01	306-2
	Oil sands	**Total**	466,424	326,859	344,880	436,296	363,252	-	WS-01	306-2
		Hazardous	203,638	94,035	156,396	6,577	139,992	-	WS-01	306-2
		Non-hazardous	262,786	232,824	188,484	429,719	223,260	-	WS-01	306-2

WS-01 In 2018 we improved our measurement systems and methodology in the collection of waste data. Our waste volumes for 2017 were collected using different classification methodology to previous years, including the addition of produced water numbers, which have not historically been included and have been removed in the 2018 data. Percent change between 2017 and 2018 data has not been included as the 2017 numbers contained classification differences.

Water		2014	2015	2016	2017	2018	% change	Foot-note	GRI 2016
Non-saline water use (MMbbls)	Company-wide	20.715	19.311	19.307	22.973	18.810	-18%	WT-01; WT-03	303-1
	Oil sands	9.901	11.595	15.121	18.959	17.220	-9%	WT-01; WT-03	303-1
Non-saline water use intensity (bbls/BOE)	Company-wide	0.13	0.12	0.12	0.11	0.10	-9%	WT-01; WT-03	
	Oil sands	0.11	0.11	0.14	0.14	0.13	-7%	WT-01; WT-03	
Saline water use (MMbbls)	Company-wide	79.713	68.975	50.019	50.871	40.580	-20%	-	303-1
	Oil sands	36.398	39.054	34.253	32.687	39.740	22%	WT-02	303-1
Saline water use intensity (bbls/BOE)	Company-wide	0.51	0.43	0.31	0.24	0.22	-8%	-	
	Oil sands	0.39	0.38	0.31	0.25	0.30	20%	-	
Non-saline surface water withdrawals (MMbbls)	Company-wide	4.561	3.196	2.480	3.648	3.230	-11%	WT-01; WT-04	303-1
Non-saline groundwater withdrawals (MMbbls)	Company-wide	16.146	16.311	16.826	19.325	15.580	-19%	WT-01	303-1
Saline groundwater withdrawals (MMbbls)	Company-wide	79.722	68.977	50.019	50.871	40.580	-20%		303-1

WT-01 The majority of non-saline water we use comes from underground aquifers. We use a small amount of non-saline surface water from rivers, lakes or streams for drilling wells, construction, road maintenance, building ice roads and hydraulic fracturing. Our company-wide non-saline water use decreased in 2018 due to lower drilling activity, decreased production and the divestment of our legacy conventional assets between September 2017 and January 2018.

WT-02 Our saline water use decreased in our oil sands operations due to decreased production in the area.

WT-03 Non-saline water includes water with a total dissolved solid concentration of <4000 mg/L drawn from underground aquifers as well as some surface water drawn from rivers, lakes or streams.

WT-04 Only a small amount of the water we use across our operations comes from rivers, lakes or streams. We use this for drilling wells, construction, road maintenance and building ice roads. At our Deep Basin operations, surface water is also used for hydraulic fracturing. We do not use surface water to make steam in our oil sands operations.

GRI INDEX AND SUPPLEMENT

GRI INDEX

GRI 2016 Standard		Disclosure Expectation	Reference
102-01	Name of the organization	Name of the organization	ESG Report: title page
102-02	Activities, brands, products, and services	A description of the organization's activities. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	2018 AIF (pages 3-12) Cenovus.com: Our operations ESG report: *Our business*, under *About us*
102-03	Location of headquarters	Location of the organization's headquarters	ESG report: *Our business*, under *About us*
102-04	Location of operations	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report	2018 AIF (pages 3-12) Cenovus.com: About us ESG report: *Our business*, under *About us* ESG report: *GRI index and supplement*
102-05	Ownership and legal form	Nature of ownership and legal form	2018 AIF (pages 3-12)
102-06	Markets served	Markets served, including: geographic locations where products and services are offered; sectors served; types of customers and beneficiaries	Cenovus.com: Marketing and transporting our oil ESG report: *Our business*, under *About us* ESG report: Our reporting approach
102-07	Scale of the organization	Total number of employees Total number of operations Net sales (for private sector organizations) Total capitalization (for private sector organizations) broken down in terms of debt and equity Quantity of products or services provided.	ESG report: *Workforce data table*, under *Reporting data* 2018 AIF (pages 3-12) ESG report: *About us* ESG report: *GRI index and supplement* (reporting boundaries) ESG report: *Financial data table* (gross sales), under *Reporting data*
102-08	Information on employees and other workers	Total number of employees by employment contract (permanent and temporary), by gender Total number of employees by employment contract (permanent and temporary), by region Total number of employees by employment type (full-time and part-time), by gender Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c An explanation of how the data have been compiled, including any assumptions made	ESG report: *Workforce data table*, under *Reporting data* (gender breakdown not provided) ESG report: *Workforce data table*, under *Reporting data* (separation by employment contract not provided) In 2018, 99 percent of Cenovus employees were full-time, and one percent were part-time. Employees working less than a 1.00 full-time equivalent are considered part-time This information was not readily available at the time of this report. We will aim to assess the feasibility of providing this information in future reporting years No significant seasonal variations in employment numbers occur in our operations ESG report: *Workforce data table* (footnotes), under *Reporting data*
102-10	Significant changes to the organization and its supply chain	Significant changes to the organization's size, structure, ownership, or supply chain, including: Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination	ESG report: *Supply chain management*, under *Economy* 2018 AIF (pages 3-6) ESG report: *Indigenous engagement*, under *Community*

GRI 2016 Standard		Disclosure Expectation	Reference
102-11	Precautionary Principle or approach	Whether and how the organization applies the Precautionary Principle or approach	Cenovus.com: MD&A for the year ended December 31, 2018 (Risk management and risk factors page 36)
102-12	External initiatives	A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	ESG report: *Advocacy, Memberships and sponsorships*, under *Governance*
102-13	Membership of associations	A list of the main memberships of industry or other associations, and national or international advocacy organizations	ESG report: Table 1, under *Our reporting approach* ESG report: *Advocacy, Memberships and sponsorships*, under *Governance*
102-14	Statement from senior decision-maker	A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability	ESG Report: *A Message from our CEO*
102-16	Values, principles, standards, and norms of behavior	A description of the organization's values, principles, standards, and norms of behavior	ESG Report: *About Us* Cenovus.com: Our vision, mission and values
102-18	Governance structure	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social topics	ESG Report: *Governance* Cenovus.com: Our Board; Key Governance Documents
102-40	List of stakeholder groups	A list of stakeholder groups engaged by the organization	ESG report: Table 1, under *Our reporting approach* ESG report: *Advocacy, Memberships and sponsorships*, under *Governance*
102-41	Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements	Cenovus does not have any employees covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	The basis for identifying and selecting stakeholders with whom to engage	ESG Report: *Community* ESG report: Table 1, under *Our reporting approach*
102-43	Approach to stakeholder engagement	The reporting organization shall report the following information: The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	ESG Report: *Community* ESG report: Table 1, under *Our reporting approach*
102-44	Key topics and concerns raised	Key topics and concerns that have been raised through stakeholder engagement, including: how the organization has responded to those key topics and concerns, including through its reporting; the stakeholder groups that raised each of the key topics and concerns	ESG Report: Our reporting approach ESG report: Table 1, under *Our reporting approach*
102-45	Entities included in the consolidated financial statements	A list of all entities included in the organization's consolidated financial statements or equivalent documents. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	2018 AIF (pages 3-12) ESG report: *About us* ESG report: *GRI index and supplement* (reporting boundaries)
102-46	Defining report content and topic Boundaries	The reporting organization shall report the following information: An explanation of the process for defining the report content and the topic Boundaries. An explanation of how the organization has implemented the Reporting Principles for defining report content	ESG report: *Our reporting approach* ESG report: *GRI index and supplement* (reporting boundaries)
102-47	List of material topics	A list of the material topics identified in the process for defining report content	ESG report: *Our reporting approach*
102-48	Restatements of information	The effect of any restatements of information given in previous reports, and the reasons for such restatements	ESG report: *Data table* footnotes, under *Reporting data*
102-49	Changes in reporting	Significant changes from previous reporting periods in the list of material topics and topic Boundaries	ESG Report: *About Us* ESG report: *GRI index and supplement* (reporting boundaries)
102-50	Reporting period	Reporting period for the information provided	January 1, 2018 – December 31, 2018
102-51	Date of most recent report	If applicable, the date of the most recent previous report	August 7, 2018

GRI 2016 Standard		Disclosure Expectation	Reference
102-52	Reporting cycle	Reporting cycle	Annual
102-53	Contact	The contact point for questions regarding the report or its contents	Email:corporate.responsibility@cenovus.com
102-54	Claims of reporting	The claim made by the organization, if it has prepared a report in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	For each disclosure, the content index shall include: the number of the disclosure (for disclosures covered by the GRI Standards); the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made	Refer to GRI Content Index below
102-56	External assurance	A description of the organization's policy and current practice with regard to seeking external assurance for the report. If the report has been externally assured: A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; The relationship between the organization and the assurance provider; Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	CR report: *Reporting assurance*, under *Our reporting approach*

GRI CONTENT INDEX

GRI Standard		GRI Disclosure		CR Report Section for GRI DMA	Data	Other references
201	**Economic Performance**	201-01	Direct economic value generated and distributed	Economy	Economic	
204	**Procurement Practices**	204-01	Proportion of spending on local suppliers	Supply Chain Management	Community	Limited to local Indigenous spend.
302	**Energy**	302-01	Energy consumption within the organization	Emissions and Energy Use	Energy	Fuel consumption of renewables, energy sold not reported.
302	**Energy**	302-03	Energy intensity	Emissions and Energy Use	Energy	
303	**Water**	303-01	Water withdrawal by source	Water	Water	Only fresh surface, fresh groundwater and saline groundwater are reported as significant sources of water withdrawals.
304	**Biodiversity**	304-03	Habitats protected or restored	Biodiversity, Reclamation and Decommissioning	Land	Only areas restored under site reclamation programs are reported. Protected areas, interim reclamation and Linear Deactivation (LiDea) are not reported.
OGS[a]	**Community**	OG11	Site decommissioned or in the process of decommission	Decommissioning and Reclamation	Land	
305	**Emissions**	305-01	Direct (Scope 1) GHG emissions	Emissions and Energy Use	GHG Emissions	No biogenic GHG emissions occur within reporting boundary.
305	**Emissions**	305-02	Energy indirect (Scope 2) GHG emissions	Emissions and Energy Use	GHG Emissions	

305	**Emissions**	305-04	GHG emissions intensity	Emissions and Energy Use	GHG Emissions	Scope 1 and scope 2 are reported
305	**Emissions**	305-07	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Emissions and Energy Use	Air Quality	Persistent organic pollutants, hazardous air pollutants are not reported
306	**Effluents and Waste**	306-03	Significant spills	Spills	Spills	
307	**Environmental Compliance**	307-01	Non-compliance with environmental laws and regulations	Environmental Management	Environmental Compliance	
403	**Occupational Health & Safety**	403-02	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety Management; Occupational Health & Safety	Safety	Overall injury rates and fatalities reported. Not reported by type of injury, gender or region
OGS[a]	**Process Safety**		Asset Integrity and Process Safety	Governance (COMS); Process Safety	Safety	
404	**Training and Education**	404-03	Percentage of employees receiving regular performance and career development reviews	Workforce Management	Workforce	Cenovus has 100 percent coverage in this indicator and therefore split of employee category and gender are not provided
405	**Diversity and Equal Opportunity**	405-01	Diversity of governance bodies and employees	Governance; Diversity & Inclusion	Workforce	Cenovus does not track employees and governance body members by minority group. Board diversity is reported in our Management Information Circular
413	**Local Communities**	413-01	Operations with local community engagement, impact assessments, and development programs	Community	Community	Programs such as applicability of our Integrity Helpline and types of assessments (EIA) and engagement are included. Community development programs were not included in the current reporting year
OGS[a]	**Community**	OG11	Site decommissioned or in the process of decommission	Decommissioning and Reclamation	Land	
OGS[a]	**Emergency Preparedness**	OG	Mechanisms used to involve local communities in the development of emergency plans	Emergency Management	NA	
415	**Public Policy**	415-01	Political contributions	Advocacy, Memberships and Sponsorships		

[a] Refers to GRI G4 Oil and Gas Sector Disclosures (Global Reporting Initiative, 2014)

Corporate entity	Operations during 2018 associated with entity	Region where operations exist	Financial stake/ ownership role	Operator	Inclusion in report[b]
Cenovus Energy Inc.	Conventional oil and natural gas operations and some oil sands projects including emerging oil sands projects as listed in the AIF[a]	Alberta, Saskatchewan	Yes	Yes	Included in report boundary for all topics
	Deep Basin assets (divested to intercorporate entities during reporting period)	Alberta, British Columbia	Yes	Yes	Included in report for all topics
Intercorporate relationships as listed in the AIF[a]					
Cenovus Energy Marketing Services Ltd.	Marketing operation to buy and sell oil, and arrange transportation/trade in derivatives. This entity also holds some office leases, such as Cenovus head office in Calgary.	Alberta	Yes	No	Generally excluded as the office operations are not material activities relating to exploration, construction, production and decommissioning. Cenovus does in some cases charter shipments of our oil, but the operator of those shipment vessels are external third parties.
FCCL Partnership ("FCCL")	Cenovus FCCL Holding Partnership 1, Cenovus FCCL Holding Partnership 2, and Cenovus Energy Inc.[c]	Alberta	Yes	Yes	Included in report for all topics
WRB Refining LP ("WRB")	Wood River (IL) and Borger (TX) refineries	Illinois, Texas	Yes	No (Phillips 66 is the operator)	Excluded as Cenovus is not the operator of this facility
Other organizations related to Cenovus Energy Inc. considered during boundary determination of the ESG report[d]					
Evok Innovations	Investment partnership, along with Suncor Energy and the BC Cleantech CEO Alliance, formed to connect the energy industry and the global clean technology community	Offices are located in Vancouver, British Columbia	Yes	No	Activities relating to investments are discussed as part of the management approach to environment related issues
COSIA	Alliance of oil sands producers focused on accelerating the pace of improvement in environmental performance in Canada's oil sands through collaborative action and innovation	Offices are located in Calgary, Alberta	Yes	No	Activities relating to investments are discussed as part of the management approach to environment related issues

a Reporting boundaries – Details of Cenovus Energy Inc. and its intercorporate relationships are provided in the Cenovus Energy Inc. 2018 AIF
b Cenovus reports operating areas where it has both a financial stake and is the operator in the ESG report
c Became operator of FCCL in August 2018. Cenovus FCCL Ltd. previously acted as operator and managing partner for FCCL
d While not reported in the AIF as a partnership or subsidiary, COSIA and Evok were considered as our investments in these organizations are included in this report

OPERATING REGION DEFINITIONS

In its ESG report, Cenovus reports operating areas where it has both a financial stake and is the operator as outlined in Reporting Boundaries above.

Group as reported in AIF[a]	Operating area	Status during reporting period	Reportable segment in AIF[b]	Primary product	ESG report oil sands category[b]	Reporting notes
Conventional Alberta	Deep Basin	Producing	Deep Basin	Natural gas, NGLs and oil	Not included in oil sands KPIs for this reporting period, but included in company-wide KPIs.	Cenovus became the operator of Deep Basin assets in May 2017
	Suffield	Producing	Conventional	Natural gas, NGLs and oil	No	Asset was divested during the reporting period
Oil sands	Athabasca Gas[c]	Producing	Oil sands	Natural gas	No	Excluded from the ESG report *oil sands* category in order to be more fully representative of bitumen versus non-bitumen related performance
	Foster Creek	Producing	Oil sands	Bitumen	Yes	Athabasca Gas and Foster Creek operating areas overlap
	Christina Lake	Producing	Oil sands	Bitumen	Yes	
	Narrows Lake	Not producing	Oil sands	Bitumen	Yes	
	Telephone Lake	Not producing	Oil sands	Bitumen	Yes	
	Other emerging assets	Not producing	Oil sands	Bitumen	Yes	
Transport	Bruderheim	Operating	Refining and marketing	Crude-by-rail transport	No	

[a] Cenovus Energy Inc. 2018 AIF
[b] "Oil sands" performance in our ESG report differs from the term used in the AIF under "Description of the Business" in that it only measures for operating activities associated with bitumen production as included
[c] Gas production from the Athabasca gas field is excluded from the ESG oil sands

ESG KEY FOCUS AREAS 2019

While all aspects of ESG have the potential to impact our business, we believe focusing on a prioritized list of ESG key focus areas will positively influence the long-term sustainability of our business. We developed Cenovus's 2019 ESG key focus areas after consultation with topic experts from across our company, input from a broad range of senior leaders and analysis of which ESG topics are key for our industry. Our selection of our ESG key focus areas is based on our belief that further strengthening those priority areas will enhance our company and our business. While our focus will be on the key areas listed below, it will not preclude us from continued efforts in other areas.

Topic	Environment	Social	Governance
Top Material Topics	• Carbon and Climate • Water Stewardship • Biodiversity	• Indigenous Engagement • Health & Safety	• Disclosure to Shareholders • Corporate Strategy • Risk Management
Other Material Topics	• Asset Integrity • Decommissioning and Reclamation • Waste • Air Pollutants	• Workforce Management • Stakeholder Identification and Engagement	• Business Ethics and Code of Conduct

Topic	Definition
Environment	
Carbon and Climate	Our response to climate change, including identification of company climate risks and opportunities and our subsequent plans to respond. Additionally, referring to our actions to meaningfully contribute to climate change solutions by reducing GHG emissions and moving to low carbon energy sources.
Water Stewardship	Our management of water use and discharges, including monitoring and managing water in water stressed regions
Biodiversity	Our management, monitoring and impact on biodiversity surrounding Cenovus's operations
Asset Integrity	Our management of asset integrity to operate safely and effectively
Decommissioning and Reclamation	Our plans for closure, decommissioning sites, reclaiming disturbed lands and monitoring legacy sites
Waste	Our management of waste to ensure environmental and regulatory compliance. This includes the reporting of incidents such as spills, fines and penalties and our progress on permits and approvals.
Air Pollutants	Our management of emissions to air, including dust and air emissions with the presence of heavy metals
Social	
Indigenous Engagement	Our practices to engage the local communities surrounding our operations, and to reduce negative impacts of operations and explore opportunities to maximize positive impacts
Health & Safety	Our commitment to the health and safety of workers and contractors, including occupational health and hygiene
Workforce Management	Our approach to employment and job creation including: hiring, recruitment, retention and related practices, and working conditions for employees and requirements for contractors
Stakeholder Identification and Engagement	Our practices to identify key stakeholders and engage the local communities surrounding our operations, improving communication, reducing negative impacts of operations and exploring opportunities to maximize positive impacts
Governance	
Disclosure to Shareholders	Our commitment to evaluate shareholders' disclosure needs including considering detail, context, and supporting information for shareholders to make informed decisions
Corporate Strategy	Our commitment to align our corporate strategy with company values and to integrate ESG factors with the most significant impact into our strategy
Risk Management	Our practice of risk management including the identification, assessment, controls, and disclosure of risks
Business Ethics and Code of Conduct	Our commitment to proper business practices, including how to manage and control risks relating to bribery, fraud, corruption, and business ethics

ADVISORY

All financial figures in this document are in Canadian dollars, unless otherwise noted.

Non-GAAP measures – Certain financial measures in this document do not have a standardized meaning as prescribed by IFRS, such as Adjusted Funds Flow, Debt, Net Debt, Capitalization, Debt to Capitalization, Net Debt to Capitalization and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Non-GAAP measures contained in this document are defined in our most recently filed Management's Discussion & Analysis ("MD&A") available on SEDAR at sedar.com, on EDGAR at sec.gov and on our website at cenovus.com.

Forward-Looking Information – This document contains certain forward-looking information and forward-looking statements (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian and U.S. securities laws. Forward-looking information in this document is identified by words such as "aim", "anticipate", "believe", "can be", "capacity", "commit", "commitment", "committed", "could", "expect", "estimate", "focus", "forecast", "forward", "future", "implication", "may", "on track", "outlook", "plan", "potential", "position", "priority", "project", "proposed", "should", "strategy", "target", "will", "would", or similar expressions and includes suggestions of future outcomes, including statements about: the development of new technology by the oil and gas industry, either by individual companies or in collaboration, or by Cenovus to lower GHG emissions and costs; advancements in alternative energy technologies, including those related to electric vehicles; our strategy and related milestones; our schedules and plans; our focus on maximizing shareholder value through cost leadership; our desire to realize the best margins for our products; our plans to maintain and demonstrate financial discipline while balancing growth and shareholder return; continuing to advance our operational performance and upholding our trusted reputation; our ability to remain financially resilient, create value for shareholders and thrive in a lower-carbon future; the future demand for energy; demand for oil, natural gas, gasoline, diesel and other energy sources; decline rates for existing production of oil and gas; future opportunities for oil and gas development; price fluctuations of oil and gas and fluctuations of key price differentials related to quality and distance from major markets; the sufficiency of pipeline and other transportation capacity for oil; laws and government policy, including those relating to climate change, and the impact thereof; effective risk management; Cenovus's ability to lower costs and the sustainability thereof; our ability to maintain low steam to oil ratios; our expectations regarding emissions compliance costs; and our ability to lower GHG emissions, including methane emissions, on both an absolute basis and in terms of intensity in our operations. Readers are cautioned not to place undue reliance on forward-looking information as our actual results may differ materially from those expressed or implied.

Forward-looking statements are not guarantees of future performance and developing forward-looking information involves reliance on a number of assumptions and considerations of certain risks and uncertainties, some that are specific to Cenovus and others that apply to the oil and gas industry generally. Forward-looking statements are based on Cenovus's current expectations, estimates, projections and assumptions that were made by the corporation in light of information available at the time the statement was made and consider Cenovus's experience and its perception of historical trends, including expectations and assumptions concerning: the accuracy of reserves and resources estimates; commodity prices; the performance of assets and equipment; capital efficiencies and cost savings, including the sustainability thereof; applicable laws and government policies, including royalty rates, and laws and policies relating to climate change; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; the receipt, in a timely manner, of regulatory approvals; assumptions relating to demand for oil, natural gas, gasoline, diesel and other energy sources; the availability of transportation for oil; the development and performance of technology and technological innovations; assumptions relating to future energy use and consumption of oil and gas; and Cenovus's carbon price outlook.

Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information. For a full discussion of Cenovus's material risk factors, see "Risk Management and Risk Factors" in our 2018 annual MD&A and our most recently filed quarterly MD&A available on SEDAR at sedar.com, on EDGAR at sec.gov and on our website at cenovus.com.

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Independent Assurance Statement

To the Board of Directors and Management of Cenovus Energy Inc. ("Cenovus")

Scope of our Engagement

The scope of this engagement included providing reasonable and limited assurance over a selection of performance indicators ("the Subject Matter") as presented in Cenovus' 2018 Environmental, Social & Governance Report ("the Report").

Subject Matter

We have performed reasonable assurance procedures for the following quantitative performance indicators as presented in the respective section of the Report and the overall indicator data table for the year ended December 31, 2018:

- Direct Greenhouse Gas (GHG) emissions (Company-wide and Oil Sands) (in million tCO_2e)
- Direct GHG emissions intensity (Company-wide and Oil Sands) (in tCO_2e/m^3OE)
- Indirect GHG emissions (Company-wide and Oil Sands) (in million tCO_2e)

We have performed limited assurance procedures for the following quantitative performance indicators as presented in the respective section of the Report and the overall indicator data table for the year ended December 31, 2018. Unless otherwise noted, the indicators were assured on a company-wide basis.

- Energy use (Company-wide and Oil Sands) (in GJ)
- Energy use intensity (Company-wide and Oil Sands) (in GJ/m^3OE)
- Direct Methane emissions (Company-wide and Oil Sands) (in tonnes)
- SO_2 emissions (Company-wide) (in tonnes)
- NO_X emissions (Company-wide) (in tonnes)
- Number of reportable spills greater than 1 bbl (Company-wide)
- Estimated reportable volume spilled greater than 1 bbl (Company-wide) (in bbls)
- Total recordable injury frequency (Company-wide) (number of injuries per 200,000 hours worked)
- Lost time injury frequency (Company-wide) (number of injuries per 200,000 hours worked)
- Fatalities (Company-wide)
- Aboriginal business spend (Company-wide) (in million CAD)

Criteria

Cenovus has prepared its specified performance information using the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), regulatory requirements where applicable and internally developed criteria as their framework.

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Cenovus Management Responsibilities

The Report was prepared by the management of Cenovus, who are responsible for the assertions, statements, and claims made therein including the assertions we have been engaged to provide reasonable and limited assurance over. The assurance procedures completed by EY included a review of collection, quantification and presentation of the performance indicators and a review of the criteria used to determine the appropriateness of information disclosed in the Report. In addition, management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process.

Our Responsibilities

Both our reasonable and limited assurance procedures have been planned and performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information."

Our procedures were designed to obtain a reasonable and a limited level of assurance on which to base our conclusion.

The procedures for the three listed performance indicators subjected to reasonable assurance were designed and executed to allow the conclusion as to whether or not they are, in all material respects, accurate, and prepared in accordance with the relevant criteria.

The procedures conducted for the eleven indicators subjected to limited assurance do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls and, accordingly, we express no conclusions thereon.

This assurance statement has been prepared for Cenovus for the purpose of assisting management in determining whether the Subject Matter is in accordance with the criteria and for no other purpose. Our assurance statement is made solely to Cenovus in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than Cenovus for our work, or for the conclusions we have reached in this assurance statement.

Assurance procedures

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. Our assurance procedures included but were not limited to:

- Interviewing relevant personnel at the head office to understand data management processes related to the selected performance indicators.
- Checking the accuracy of calculations performed – on a test basis – primarily through inquiry, variance analysis and performance of re-calculations.
- Checking that data and statements have been correctly transcribed from the corporate system into the Report.

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- Assessing risk of material misstatement due to fraud or errors relating to the selected performance indicators.
- Evaluating the overall presentation of the Report, including the consistency of the Subject Matter.

Limitations of our Work Performed

Our scope of work did not include expressing conclusions in relation to:

- The materiality, completeness or accuracy of data sets or information relating to areas other than the selected performance data, and any site-specific information.
- Information reported outside of the Report.
- Management's forward looking statements.
- Any comparisons made by Cenovus against historical data.
- The appropriateness of definitions for internally developed criteria.

Independence and competency statement

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).

Our Conclusion – Reasonable Assurance Scope

In our opinion those indicators subjected to reasonable assurance, as outlined above, are presented, in all material respects, in accordance with the relevant criteria.

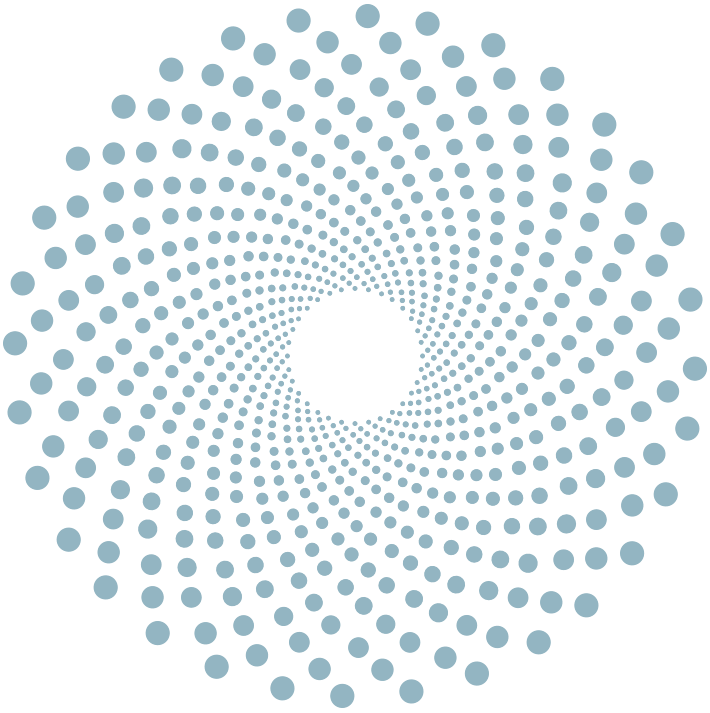
Our Conclusion – Limited Assurance Scope

Based on our procedures over those indicators subjected to limited assurance, as outlined above, nothing has come to our attention that causes us to believe that the Subject Matter is not, in all material respects, reported in accordance with the relevant criteria.

Ernst & Young LLP

Ernst & Young LLP
Calgary, Canada

23 July 2019



Cenovus Energy Inc.

Cenovus Energy Inc. is a Canadian integrated oil and natural gas company. It is committed to maximizing value by responsibly developing its assets in a safe, innovative and efficient way. Operations include oil sands projects in northern Alberta, which use specialized methods to drill and pump the oil to the surface, and established natural gas and oil production in Alberta and British Columbia. The company also has 50% ownership in two U.S. refineries. Cenovus shares trade under the symbol CVE, and are listed on the Toronto and New York stock exchanges. For more information, cenovus.com.

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