

2019 ENVIRONMENTAL,
SOCIAL & GOVERNANCE REPORT

cenovus
ENERGY



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GLOSSARY

ACRONYMS & ABBREVIATIONS

AER	Alberta Energy Regulator	ESTMA	Extractive Sector Transparency Measures Act	MW	megawatts (per hour shown as MWh)	SERR	Safety, Environment, Responsibility & Reserves
bbl	barrel	FWI	fresh water intensity	NGL	natural gas liquid	SO₂	sulphur dioxide
BOE	barrel of oil equivalent	GHG	greenhouse gas	NO_x	nitrogen oxide	SOR	steam-to-oil ratio
CAPP	Canadian Association of Petroleum Producers	GJ	gigajoules	OPGEE	Oil Production Greenhouse gas Emissions Estimator	TCFD	Task Force on Climate-related Financial Disclosures
CCIR	Carbon Competitiveness Incentive Regulation	hrs	hours	PSE	process safety event	TDS	total dissolved solids
CFS	Clean Fuel Standard	IEA	International Energy Agency	PTAC	Petroleum Technology Alliance of Canada	TIER	Technology Innovation and Emissions Reduction
CO₂e	carbon dioxide equivalent	JWSHSC	Joint Work Site Health & Safety Committee	SAGD	steam-assisted gravity drainage	TRIR	total recordable incident rate
COMS	Cenovus Operations Management System	m³OE	cubic metres of oil equivalent	SAP	solvent-aided process	UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
COSIA	Canada's Oil Sands Innovation Alliance	MD&A	Management's Discussion & Analysis	SASB	Sustainability Accounting Standards Board	VOCs	volatile organic compounds
CRIN	Clean Resource Innovation Network	mg/L	milligrams per litre	SDG	Sustainable Development Goals		
ERM	enterprise risk management	MMbbls	million barrels (per day is shown as /d)	SDP	solvent-driven process		
ERP	emergency response plan	MMscf	million standard cubic feet				
ESG	environmental, social and governance	MMt	megatonnes or one million tonnes				



DEFINITIONS

Materiality

The term materiality is used within a sustainability reporting context, where materiality refers to the relevant importance of economic, social and environmental impacts on our business and to our stakeholders, and determines the inclusion of primary topics within our environmental, social and governance (ESG) report.

Process safety events

A process safety event (PSE) is an unplanned or uncontrolled release of potentially hazardous liquid or gas from production facilities. Releases are carefully evaluated and categorized into tiers tied to actual or potential consequences. A Tier 1 event is a major scale event that involves a process release that led to a lost time injury, a fatality, a fire or an explosion resulting in damages greater than \$100,000 or a highly toxic/combustible release above certain thresholds. A Tier 2 event is a moderate scale event that involves a process release that led to a medical treatment, a fire or an explosion resulting in damages greater than \$2,500 or a highly toxic/combustible release above certain thresholds. The thresholds for both Tier 1 and 2 are outlined in the [Canadian Association of Petroleum Producers \(CAPP\) Process Safety Event Reporting Guide](#).

Saline and non-saline water

In Alberta, water with less than 4,000 milligrams/litre (mg/L) of total dissolved solids (TDS) is defined as non-saline or fresh water, even though it is not acceptable for consumption or agricultural use unless TDS are at much lower levels. For example, Canadian drinking water guidelines recommend a TDS concentration of <500 mg/L. Saline water is water with greater than 4,000 mg/L of TDS.

Scope 1, 2 and 3 emissions

Scope 1 emissions are direct emissions from owned or controlled sources. We report scope 1 as controlled emissions on a gross operated basis. For Cenovus this includes fuel combustion, venting, flaring, and fugitive emissions at our operations.

Scope 2 emissions are indirect emissions from the generation of purchased energy for our operations. For Cenovus this is limited to purchased electricity.

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company. For Cenovus most of our scope 3 emissions are from the consumption by others of gasoline, diesel and jet fuel made using our oil as a feedstock.

Staff

Staff within this document refers to all full-time and part-time permanent employees as well as contractors.

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 extract the oil in place (or in situ). The process, known as **SAGD**, involves injecting steam into the reservoir to mobilize the thick oil so it can be pumped to our processing facilities. This involves minimal surface disturbance compared with oil sands mining techniques and does not require tailings ponds.

Steam-to-oil ratio (SOR)

SOR is the amount of steam needed to produce a barrel of oil at our SAGD projects. The lower the SOR, the better, because it results in lower costs and a smaller environmental footprint, including lower greenhouse gas (GHG) emissions. Cenovus's SOR is among the lowest in the in situ oil sands industry.

MESSAGE FROM OUR PRESIDENT & CHIEF EXECUTIVE OFFICER

No one could have predicted the combination of factors that significantly impacted the world economy in the first half of this year, including a global pandemic, unprecedented erosion of energy demand and highly volatile oil and stock prices.

Reaction to this kind of adversity says a lot about people, so it's been extremely encouraging to see Canadians across the country come together to support one another, putting the health of their fellow citizens first as Canada responds to the threat of COVID-19. I have been equally encouraged to see the same level of compassion and caring among our staff and neighbouring communities. Throughout the pandemic and economic downturn, we pulled together and adjusted quickly to a rapidly changing landscape. Our staff came forward with new ideas – ways to stay connected as we physically distanced ourselves – and kept our business running safely and smoothly in a challenging economy. In a company-wide survey conducted in May 2020, 96 percent of our staff said they were proud to work at Cenovus based on our response to the pandemic and market volatility.

This demonstrates the kind of culture we've built. Since Cenovus launched just over a decade ago, we've been a company of people who care, not just about each other, but about the land, air, water and local communities near our operations. And we are continuously improving through innovation and ingenuity. These are the qualities that have helped Cenovus remain resilient through the challenges our industry has faced over the past several years.

In 2019, we celebrated a major milestone, becoming the first producer to reach a billion barrels of oil production using steam-assisted gravity drainage (SAGD). Twenty years ago, SAGD was a largely unproven oil sands technology that many people thought would never work. Cenovus became the first company to commercialize and develop it, and as a result, SAGD has become the primary recovery technology used in the oil sands today.

We're applying that same spirit of innovation to the other challenges facing our industry. That includes doing our part to address climate change while continuing to help meet the world's growing demand for reliable, affordable energy. It's estimated that in the coming years more energy will be needed than ever before. Our world population is expected to increase to about 9.7 billion people by 2050, and according to all credible forecasts, oil and natural gas will be needed for some time to come, even as alternative energy sources play a larger role in meeting energy needs.¹ But in addition to more energy, the world also needs cleaner energy. The Paris Agreement, to which Canada is a signatory, aims to limit global temperature rise to well below two degrees Celsius. The world is undergoing an energy transition that requires more energy *and* fewer carbon emissions.

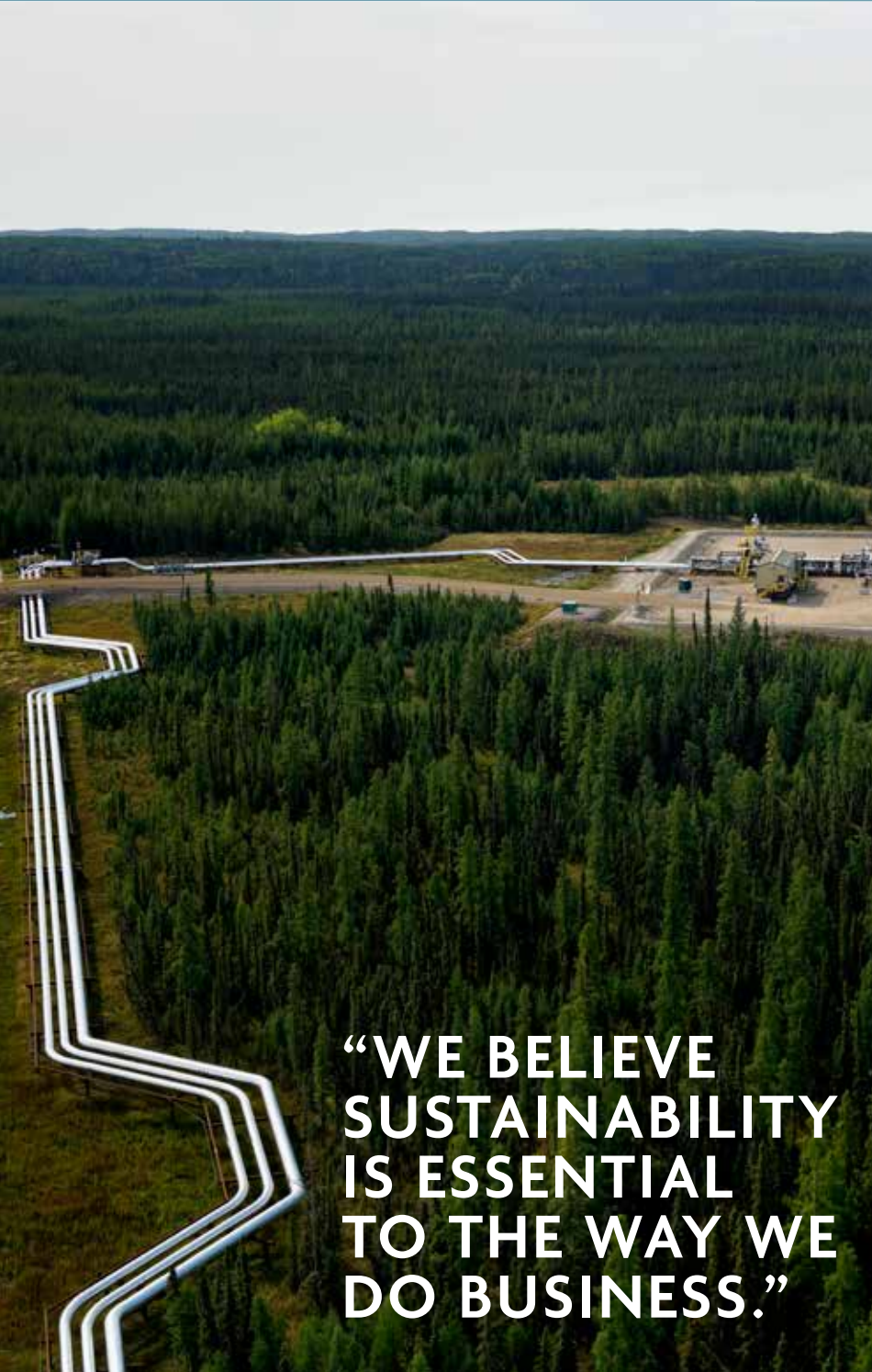
Canada's hydrocarbon industry is uniquely positioned to play a key role in the energy transition. We have among the world's largest oil and natural gas reserves. Our regulatory and environmental frameworks are far more stringent than most oil producing nations. We have leading greenhouse gas (GHG) emissions reporting and transparency, and we're the largest oil-producing jurisdiction in the world with a national price on carbon. Alberta's cap on oil sands emissions is an unprecedented commitment. We have a proven track record for technology development and leveraging these strengths to reduce our carbon emissions, with the goal of being the global supplier of choice for cleaner oil and natural gas. We believe Canada has earned that position over other oil and gas producing countries that have far less transparency and lower environmental and social standards than ours.

¹ United Nations World Population Prospects 2019 Highlights



ALEX POURBAIX

President & Chief Executive Officer



**“WE BELIEVE
SUSTAINABILITY
IS ESSENTIAL
TO THE WAY WE
DO BUSINESS.”**

Cenovus is committed to doing our part in assisting the transition to lower GHG intensity energy sources. To us, sustainability means addressing our GHG emissions, innovating to minimize our impact on the environment, creating a safe and inclusive workplace and partnering with local and Indigenous communities. We believe striking the right balance among environmental, economic and social considerations creates long-term value and business resilience.

In 2019, we continued incorporating sustainability into our business decisions and strategy. We established a Sustainability Advisory Council of senior leaders from key areas of our business to advise on sustainability initiatives for the company. We also conducted a formal materiality assessment to identify the environmental, social and governance, or ESG, focus areas that are most impactful to our business – climate & GHG emissions, Indigenous engagement, land & wildlife and water stewardship. Working with global experts, we set ambitious and impactful **targets for the ESG focus areas** and made sure they are fully aligned with the economic priorities in our five-year business plan. Additionally, we integrated these same ESG focus areas into our capital allocation framework. We’re committing to these steps because we believe in our company and our industry. And we believe sustainability is essential to the way we do business.

This year’s ESG report highlights the important work we did in 2019 and includes sustainability-related announcements we’ve made in early 2020. In an effort to provide consistent, relevant information that is useful to investors and other stakeholders, and in response to society’s request for greater transparency on ESG and climate-related risks, we have aligned with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and guidance from the Sustainability Accounting Standards Board (SASB). In this report, we highlight our performance in our ESG focus areas, and in the areas of people, health and safety. And we discuss why these topics are important for the long-term sustainability of our business knowing the path forward won’t always be smooth.

As you’ll see in this report, our GHG emissions and fresh water intensities were higher in 2019 than they were a year earlier. This is largely the temporary result of how we managed the Government of Alberta’s mandatory curtailment program last year. While reducing our oil sands production to align with the curtailment program, our teams decided to maintain our steam injection levels to help protect our oil sands reservoirs. This allowed us to continue heating

and mobilizing oil to store in the ground for production at a later date, but it also temporarily increased our emissions and fresh water intensities. We expect these intensities will come down again as mandatory curtailment is eased and we return to more normalized production levels. Despite this temporary increase, we remain committed to meeting our 2030 GHG emissions and fresh water intensity targets.

Within all areas of this year’s report, we continue to demonstrate our ongoing commitment to sustainability and transparency. We continue to work to improve our health and safety programs and achieved the second lowest total recordable injury frequency in company history last year. Our focus continues to be on our safety culture – working on initiatives that address our risk management and process safety while upholding industry best practices. Within our people strategy, we made strides to further operationalize our diversity and inclusion programs, including through staff-wide training. We also updated our benefits plan to provide employees with increased mental health benefits. The increased coverage is considered best-in-class for corporations in Canada.

In January this year, we took a bold step by announcing a \$50-million commitment over five years to work with six Indigenous communities closest to our oil sands operations to help address their critical housing needs. The funding commitment will go towards the construction of new homes and the development of training programs so that local residents can participate in the building and maintenance of these new homes.

Looking ahead, it is clear our nation will face significant challenges during the recovery from the COVID-19 pandemic and building towards a low-carbon future. Cenovus is committed to participating in the solutions Canada will require to remain resilient. As we see today, energy, economic growth and sustainability are inextricably linked. Energy producers help provide millions of Canadians with a standard of living that is consistently listed in the top of major indices, and I believe our industry can play a leading role in both the economic recovery following COVID-19 and the long-term energy transition to a lower-carbon future.^{1,2}

Alex Pourbaix
President & Chief Executive Officer

¹ OECD How’s Life? 2020

² World Population Review Standard of Living by Country

OVERVIEW & APPROACH



COMPANY OVERVIEW

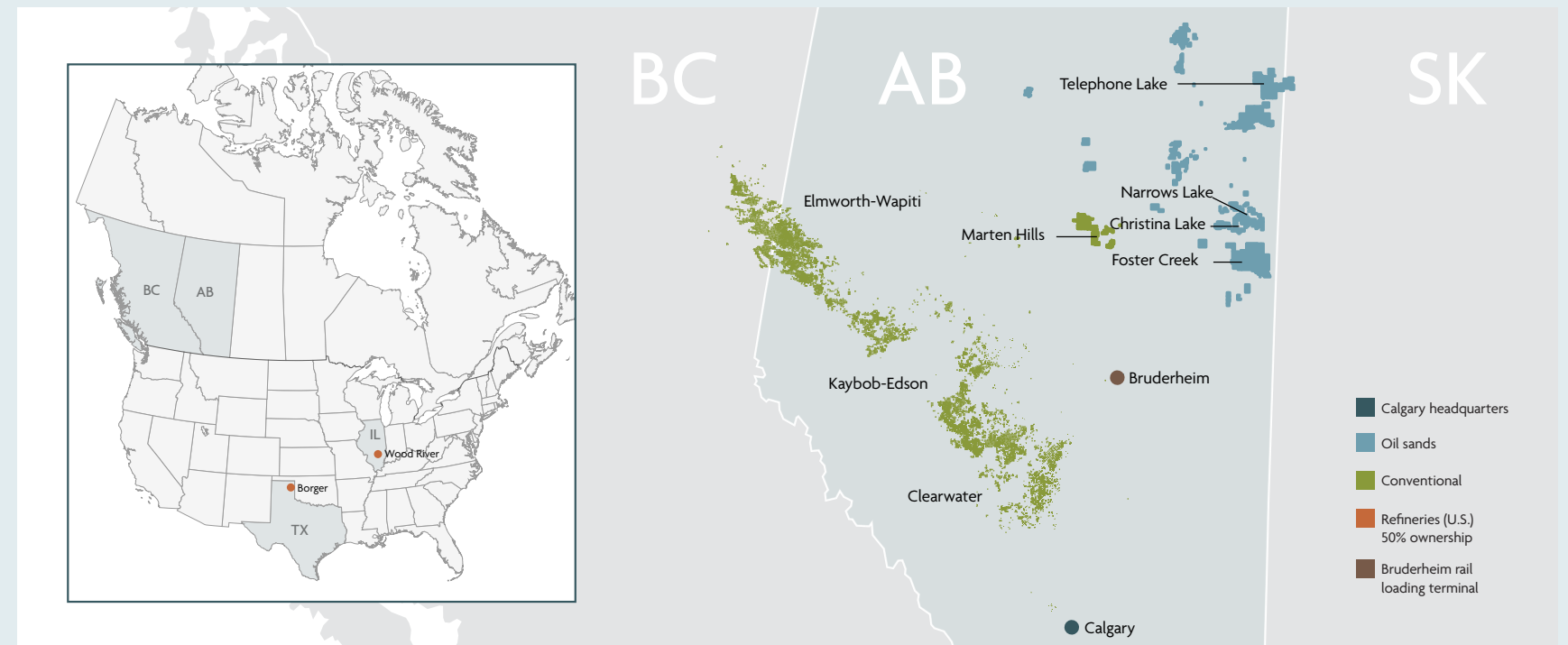
Cenovus is a Canadian integrated oil and natural gas company. We are committed to maximizing value by sustainably developing our assets in a safe, innovative and cost-efficient manner, integrating ESG considerations into our business plans.

Our operations include SAGD oil sands projects in northern Alberta, conventional crude oil, natural gas and natural gas liquids assets in Alberta and British Columbia as well as a non-operated 50 percent interest in two U.S. refineries and a wholly-owned crude-by-rail loading terminal at Bruderheim, Alberta.

We have large oil sands reserves that provide robust long-term investment opportunities complemented by shorter-cycle opportunities associated with our high-quality conventional portfolio. Through our premium-quality asset base, we believe we have significant cost and environmental performance advantages that will position us well through the energy transition to a lower-carbon future.

In contrast with most conventional light, tight oil plays, our oil sands operations have low finding and exploration risk, and we are able to reliably produce for decades with minimal decline rates. Our low operating and sustaining capital cost structure provides us with considerable resilience during times of oil price volatility as well as significant revenue generating potential in a higher oil price environment. We have further protection against oil price and cash flow volatility through our integrated structure with refining and oil transportation assets.

Cenovus shares trade under the symbol CVE and are listed on the Toronto and New York stock exchanges.



REPORTING APPROACH

We recognize that conducting our business in a responsible and respectful way requires a commitment to be transparent about our ESG performance. Transparency is beneficial as it lets us provide information that satisfies the needs of our stakeholders. The feedback we receive allows us to better understand how stakeholder expectations and interests change over time.

Framework

Our 2019 ESG report is aligned with the recommendations of TCFD. For this year's report, we have incorporated discussion points and metrics outlined by the SASB Oil & Gas – Exploration & Production Standard (October 2018) and have included references to the United Nations Sustainable Development Goals (SDGs). In addition, we continue to include elements of the globally recognized Global Reporting Initiative as well as various guidelines from the Canadian Association of Petroleum Producers (CAPP).

Our reporting is further guided by principles of accuracy, balance, clarity, comparability, reliability and timeliness.

Scope and boundary

This report communicates our ESG performance for the period January 1 to December 31, 2019 and also includes reference to certain actions undertaken by the company in the first few months of 2020. Our data is collected and reported for all facilities operated by Cenovus (reported on a 100 percent basis and not adjusted for ownership share) and does not include our joint venture interests operated by other organizations. Details of Cenovus's intercorporate relationships are provided in the company's [2019 Annual Information Form](#).

Our oil sands assets include the producing assets of Foster Creek and Christina Lake as well as emerging assets that are not yet producing. These assets, along with our Bruderheim crude-by-rail loading terminal and our conventional operations, are included in our company-wide category.

We include five-year data trends where possible and break down performance by asset type where relevant.

Reporting assurance

We have obtained third-party assurance for select indicators reported in each of our ESG reports since our company was incorporated in 2009. This helps us build a credible report in which our stakeholders can have confidence. We continue to look for ways to enhance the credibility of our reporting systems and accuracy of our data.

With the growing importance of emissions reporting, particularly for our industry, we're committed to measuring and disclosing accurate and complete information. For this report, Ernst & Young (EY) LLP provided reasonable assurance over our four GHG indicators and limited assurance on five additional ESG indicators. This included a rigorous review of our data and processes that concluded our indicators are materially accurate and relevant. View the [Independent assurance letter](#).

Through our membership in London Benchmarking Group Canada, we undergo a yearly audit of our community investment portfolio to receive 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.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations SDGs, adopted by all United Nations member states in 2015, provide a global framework for governments, businesses and society to respond to economic, social and environmental challenges by 2030.

At Cenovus, we recognize that businesses have a critical role to play in providing solutions that can contribute to solving these challenges. In 2019, we took a closer look at the SDGs to better understand how our activities are contributing positively to the SDGs at the target level, and where we have opportunities to further minimize our impact. In this report, we've identified existing indicators that align with the SDGs where we track progress. We will continue to evaluate our role in contributing to this global agenda and how we can improve on incorporating the SDGs into our business activities over time. [Learn more.](#)



These are the nine SDGs that align with our business activities.

ESG MATERIALITY ASSESSMENT & TARGET SETTING

ESG MATERIALITY ASSESSMENT

In early 2019, we conducted a formal materiality assessment, taking a rigorous and multipronged approach to identify the ESG issues most important to our company from both an internal and external perspective.

We hired a third-party consulting firm to interview Cenovus's senior leaders and individuals from across the company whose work is directly related to ESG topic areas. The consultants then conducted a workshop with Cenovus subject matter experts to prioritize the list of the ESG topics most relevant to our company. The subject matter experts also shared feedback they gathered during discussions with our external stakeholders. In addition, we engaged other ESG consultants to review Cenovus's sustainability practices and governance, and provide their input on ESG trends relating specifically to the energy industry.

To supplement the ESG discussions that our Board of Directors (Board) and Cenovus Leadership Team members have regularly with investors, lenders and insurers, we asked third-party consultants to conduct interviews with select financial stakeholders to gather their opinions about which ESG topics are most important to our business. Our ESG materiality assessment was also guided by research from various think tanks, academics, ESG organizations, governments and ESG rating agencies.

The culmination of extensive input and analysis was the establishment of four key ESG focus areas for the company – climate & GHG emissions, Indigenous engagement, land & wildlife and water stewardship. We believe these four ESG focus areas are of greatest importance to our stakeholders and could potentially have the most significant impact on the resilience of our business over the long term. The focus areas are reinforced by our foundational commitment to leading safety practices and a strong governance structure.





TARGET SETTING PROCESS

Once we established the four key ESG focus areas for the company, we worked throughout 2019 on developing targets for each area. Our ambitious targets are intended to guide Cenovus's ESG performance and help our business remain resilient over the longer term as the world transitions to a lower-carbon economy and our investors increasingly seek a balance between strong financial, operational and ESG performance.

We took the time necessary to set meaningful and impactful targets, and to identify realistic options for achieving those targets. This involved a rigorous process that included scenario analysis. Our targets are aligned with our strategy and five-year business plan, and our approach to achieving these targets is being developed in conjunction with our other key priorities of achieving an optimal debt level, delivering shareholder returns and maintaining our low cost structure.

Progression towards our targets is guided by the Cenovus Leadership Team and overseen at the Board level through regular updates and discussions. Each year in our ESG report, we will disclose performance against our targets. Although progress in achieving our targets will not necessarily be linear, we expect to demonstrate improvement over time based on the advancement of key initiatives in our plan. We anticipate releasing a more detailed plan for achieving our four ESG targets by the end of 2020.

2030 TARGETS¹

CLIMATE & GHG EMISSIONS 2030 TARGETS



Reduce emissions intensity by **30%**

Hold absolute emissions flat

Ambition: Reach **net zero** emissions by 2050

LAND & WILDLIFE 2030 TARGETS



Reclaim **1,500** decommissioned well sites

Complete **\$40 million** of caribou habitat restoration work

INDIGENOUS ENGAGEMENT 2030 TARGET



Achieve a minimum **\$1.5 billion** of additional spending with Indigenous businesses

100% of staff will have completed Indigenous awareness training by the end of 2020 and will update their training biennially

WATER STEWARDSHIP 2030 TARGET

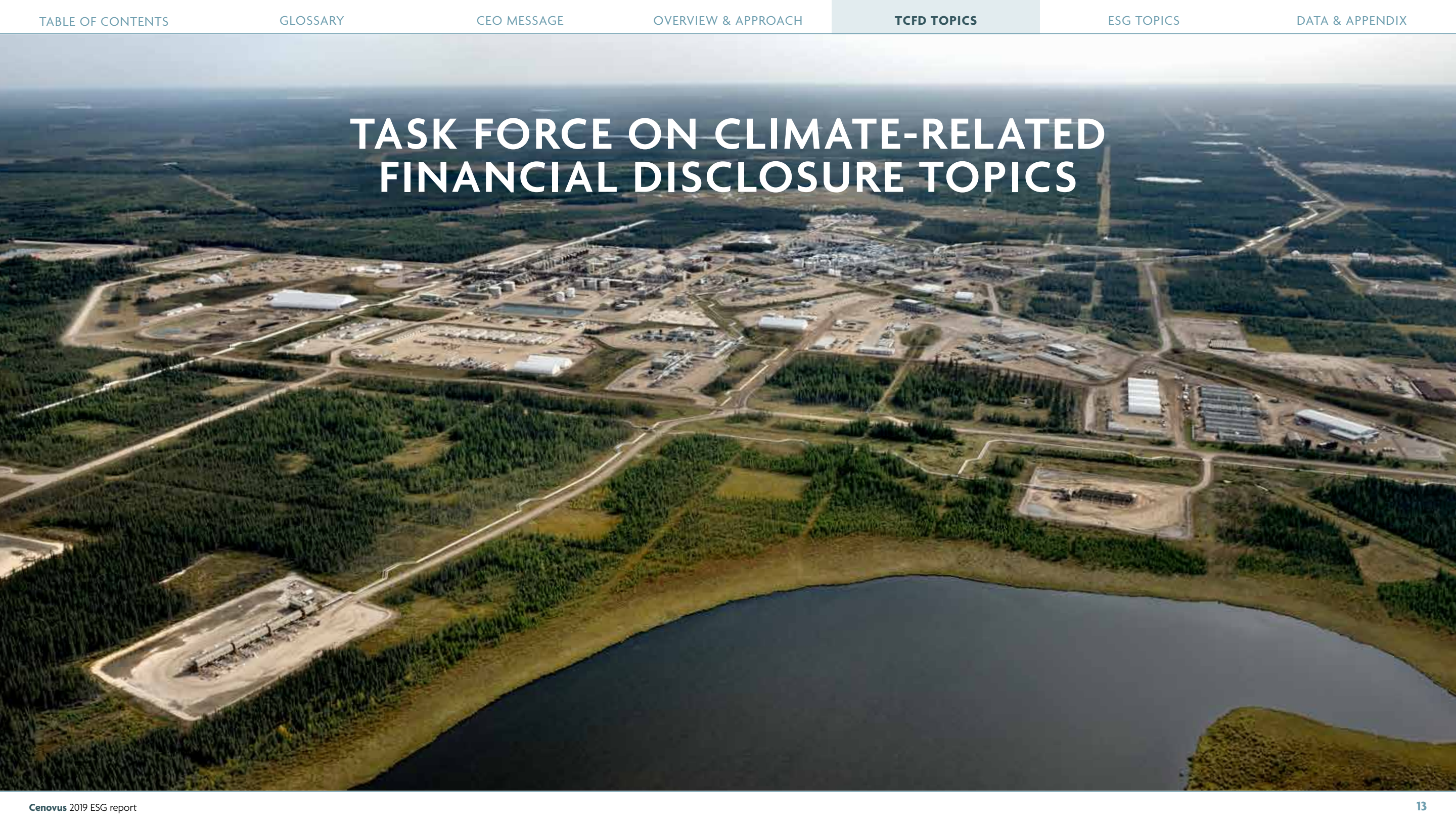


Achieve a fresh water intensity of a maximum of

0.1 barrel per barrel of oil equivalent

¹GHG emissions targets and ambition include scope 1 and 2 emissions (see **Definitions**) from operated facilities and use a 2019 baseline. Indigenous engagement target covers 2020-2030 and percentage of staff trained does not include people on leave. Reclamation target covers 2020-2030. Caribou Habitat Restoration Program covers 2016-2030. Water stewardship target set for December 31, 2030. See **Advisory**.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE TOPICS





TCFD INDEX TABLE

GOVERNANCE

Topic disclosures:

- a. Describe the Board's oversight of climate-related risks and opportunities
- b. Describe management's role in assessing and managing climate-related risks and opportunities

Reference:

Sustainability governance p. 18-19

STRATEGY

Topic disclosures:

- a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term
- b. Describe the impact of climate-related risks on the organization's businesses, strategy and financial planning
- c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a two-degree or lower scenario

Reference:

Our strategy p. 20-22
Risks & opportunities p. 23-29

RISK MANAGEMENT

Topic disclosures:

- a. Describe the organization's processes for identifying and assessing climate-related risks
- b. Describe the organization's processes for managing climate-related risks
- c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management

Reference:

Risk management p. 23-27

METRICS AND TARGETS

Topic disclosures:

- a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
- b. Disclose scope 1, scope 2 and if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks
- c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

Reference:

Reporting data p. 73-81
ESG link to executive compensation p. 19
Climate & GHG emissions p. 35-44



GOVERNANCE

Our approach to managing our environmental and social performance includes a robust governance framework that underpins our strategy to remain financially resilient over the long term.

CORPORATE GOVERNANCE

Cenovus has a comprehensive set of policies, standards, processes and procedures that guide our culture, the expected behaviours of our staff, how we run our facilities and how we mitigate risk. Together, these policies, standards, processes and procedures form a strong governance foundation for the company.

Code of Business Conduct & Ethics

We have a rigorous set of standards in place that reflect the company's commitment to conducting business legally, ethically, safely and in accordance with our values. Our Code of Business Conduct & Ethics (Code) as shown in

the figure on page 16, was updated in July 2019 and is a foundational document that is annually reviewed and committed to by all directors and employees. Contractors, service providers and suppliers are also expected to be familiar with, and uphold, Cenovus's values and the expectations of the Code at all times.

The Code features a message from our CEO, an easy-to-navigate layout, an ethical decision-making matrix, an emphasis on whistleblower protection and non-retaliation, a list of resources for reporting concerns, and additional tips and information on other key topics.

In addition to the Code, Cenovus has established policies, standards and processes to maintain a high level of compliance and vigilance in all our business operations. Directors and employees are required to review and commit to certain policies, in addition to the Code, on a regular basis.

The Code specifically addresses:

- Conflicts of interest
- Fair dealing and competition
- Third-party engagement
- Securities trading and public disclosure
- Financial reporting and internal controls
- Fraud and other irregularities
- Bribery, corruption and sanctions
- Gifts
- Political and lobbying activities
- Protection from retaliation

Complying with Canadian and U.S. laws

As a publicly traded company in Canada and the U.S., Cenovus operates in compliance with all applicable Canadian and U.S. legislation and regulations.

Bribery, corruption and sanctions

Cenovus adheres to applicable bribery, corruption and sanctions laws including the Canadian Extractive Sector Transparency Measures Act (ESTMA) as well as the Corruption of Foreign Public Officials Act (Canada), the Foreign Corrupt Practices Act (U.S.), the Special Economic Measures Act (Canada), the International Emergency Economic Powers Act (U.S.) and the Export Administration Act (U.S.) as well as all other relevant federal, provincial and U.S. state laws.

Human rights

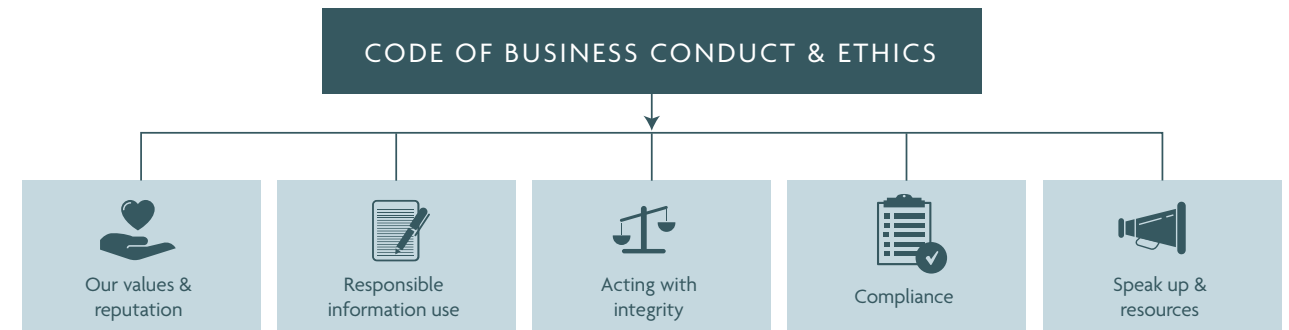
Cenovus is committed to ensuring compliance with applicable laws, regulations and industry standards relating to human rights, employment and labour relations in the jurisdictions in which we operate. Our adherence to these laws, regulations and standards are integrated into various aspects of our policies, standards, processes, procedures and business practices and are reviewed periodically. Our Code confirms our commitment to maintaining a positive workplace where all staff adhere to applicable human rights legislation, consistent with the the **Canadian Charter of Rights and Freedoms**, provincial and federal human rights legislation and the principles set out in the **United Nations Universal Declaration of Human Rights**.

Integrity Helpline and investigations process

Stakeholders, including local community residents and other members of the public, as well as our employees and contractors are encouraged to report any business or workplace conduct concerns. Cenovus has several mechanisms in place to receive concerns, both internally and through the Cenovus Integrity Helpline. As an important tool in reporting concerns, the Integrity Helpline is confidential and independently operated by a third-party service provider. Contact information for the Integrity Helpline is available on our **website** and our intranet. Retaliation against individuals who report concerns, policy breaches or violations of our Code is not tolerated, and allegations of retaliation are directed to the Investigations Committee.

Every reported concern is responded to, reviewed, addressed appropriately and then closed. Concerns where there is an alleged violation that warrants further investigation follow the Cenovus Investigations Process. Cenovus's Investigations Committee oversees the investigation of all alleged violations of Cenovus's policies, standards, processes and procedures directed to it. All matters handled by the Investigations Committee are governed by an Investigations Standard and Investigations Process that guides how concerns are reviewed and investigated. The Investigations Committee prepares and provides reports on investigations to the Business Conduct & Integrity Management Committee, the Cenovus Leadership Team and the Board in order to highlight broader issues and trends as outlined in the Cenovus Investigations Reporting Process as shown on the right. Where identified, broader issues and trends may be addressed through additional training programs, increased awareness and/or new policies or standards.

Code of Business Conduct & Ethics



Cenovus Investigations Reporting Process





Trade compliance & integrity

Cenovus's Trade Compliance & Integrity Standard provides the framework for our Trade Compliance & Integrity Program, which describes the process requirements and responsibilities in place to meet our commitment to compliance with trade laws and to address risks associated with those laws in relation to anti-corruption, economic sanctions and embargoes, anti-boycott and anti-money laundering laws. A compliance program element, called the Know Your Client process, involves vetting customers, suppliers, contractors and vendors through a comprehensive counterparty credit review that includes using a third-party global trade management and compliance database.

We provide selected 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.

Payment transparency

Reporting payments to governments is an important way to increase transparency and trust with our stakeholders. Disclosure is made through the annual [ESTMA report](#), available on our website. The report provides an overview of the payments made to all municipal, provincial, state, federal and Indigenous governments by Cenovus, our subsidiaries and partnerships involved in the commercial development of crude oil and natural gas.

Advocacy and memberships

At Cenovus, we recognize that it's important for our stakeholders to understand how we interact with the public policy process. Our Code prohibits political contributions by the company. We comply with the Lobbying Act (Canada) and the lobbying acts in Alberta and British Columbia, the provinces in which we operate, which impose reporting requirements on lobbying activity with certain officers and employees of government.

We aim to have our interactions with external groups, such as industry associations or organizations we sponsor, be consistent with our public policy positions, and we're committed to adhering to high ethical standards when communicating with government officials. We regularly participate in policy discussions as part of our membership with CAPP, our key industry association, and provide guidance to encourage alignment of the association's ESG stance with that of Cenovus. Visit our [website](#) to learn more about our advocacy and memberships.

Cenovus Operations Management System (COMS)

COMS standardizes how we manage our processes, procedures and controls to ensure we operate safely, responsibly and efficiently while continuously improving our performance.

The purpose of COMS is to:

- Set minimum standards for how we work
- Ensure we have goals and targets in place
- Explain how we identify and mitigate risks
- Drive value through consistency and standardization

COMS is based on seven elements that provide guidance and direction for our business.

To learn more about COMS, please see the [Appendix](#).

SUSTAINABILITY GOVERNANCE

Sustainability Policy

At Cenovus, sustainability is embedded in the way we do business, and our **Sustainability Policy** guides our actions. Within Cenovus, sustainability means addressing our GHG emissions, innovating to minimize our impact on the environment, creating a safe and inclusive workplace and partnering with local and Indigenous communities. We believe striking the right balance among environmental, economic and social considerations creates long-term value and resilience.

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

- Leadership and governance
- People
- Environment
- Stakeholder engagement
- Indigenous engagement
- Community involvement and investment

Board oversight of ESG performance

The Board has accountability for both the risks and opportunities at Cenovus, and each of our four committees has oversight for specific ESG risks relating to their mandates. ESG risks are considered within our Enterprise Risk Management (ERM) program, which informs the identification, assessment and management of key risks to our business. These key risks, along with other ESG-related topics, are presented to the Board through regular updates. Furthermore, our ESG targets are embedded into the company's decision-making process, and progress on our targets is overseen by the Board.

Board oversight of ESG performance





Safety, Environment, Responsibility & Reserves (SERR) Committee

The SERR Committee of the Board oversees and reviews matters relating to our Sustainability Policy. It has the primary responsibility for sustainability at the Board level, with other committees having additional responsibilities that are impacted by ESG factors. The SERR Committee meetings include discussions with senior management about sustainability performance and plans, as well as emerging risks and opportunities. The SERR Committee chair reports on key sustainability considerations and discusses these with the entire Board at every regular meeting. In-depth discussions about important ESG topics are also incorporated into Board strategy sessions twice per year. Beyond that, we invite internal and external resources with experience in a variety of sustainability topic areas to present to the Board throughout the year.

Cenovus Leadership Team

The Cenovus Leadership Team is accountable for embedding sustainability into our business. The Executive Vice-President, Stakeholder Engagement, Safety, Legal & General Counsel has primary accountability at the executive leadership level and is responsible for ensuring the Cenovus Leadership Team is appropriately considering the integration of sustainability into our strategy, business plans and day-to-day operations. The Sustainability & Engagement team supports and promotes sustainability at Cenovus through collaboration with other teams across the company and engages externally with key stakeholders. Discussions about sustainability with staff and external stakeholders helps us communicate our commitment to leadership in ESG performance and receive feedback on how we can continuously improve our performance.

Sustainability Advisory Council

In 2019, we established a Sustainability Advisory Council consisting of senior, multi-disciplinary experts from across the company. The council meets regularly to discuss key topics and provide recommendations to the Sustainability & Engagement team, the Cenovus Leadership Team and the Board. Beyond the Sustainability Advisory Council, we have several cross-functional teams focusing on the achievement of our ESG targets and continuous improvement in areas such as ESG disclosure.

ESG link to executive compensation

Cenovus's compensation philosophy is to link pay with performance in order to encourage alignment with shareholder interests. All employees, including the Cenovus Leadership Team, complete performance agreements each year that outline their goals and objectives. The performance agreements of the Cenovus Leadership Team and other senior leaders contain certain ESG-related goals and objectives. Achievement of those goals and objectives influences the individual performance component of discretionary compensation.

Our performance scorecard sets out our annual safety, environmental, operating and financial performance targets for the company. Achievement of these targets impacts the corporate component of discretionary compensation. In 2019, the Board increased the weighting of the safety and environment section of the performance scorecard to 15 percent (from 10 percent) to emphasize the importance of ESG to the company's overall performance. This will apply to the 2020 performance cycle.

Every Cenovus employee has a ratio of individual and corporate performance impacting their discretionary compensation. Executive and senior leaders have a higher percentage of their discretionary compensation tied to corporate performance measured by the performance scorecard, including embedded ESG-related metrics of health and safety, process safety events (PSE) and GHG emissions intensity.

Cenovus has a Say on Pay Policy that provides shareholders with a formal opportunity to provide their views on the disclosed objectives of the executive compensation program via a non-binding Say on Pay advisory vote at the annual meeting of shareholders.



OUR STRATEGY

Our strategy is focused on maximizing shareholder value through cost leadership and realizing the best margins for our products. We aim to maintain liquidity and preserve a resilient balance sheet while continuing safe and reliable operations. We evaluate disciplined investment in our portfolio against dividend increases, share repurchases and maintaining an optimal debt level while retaining investment grade status. Our investment focus will be on areas where we believe we have the greatest competitive advantage.

INCORPORATING ESG INTO OUR SPENDING DECISIONS

Cenovus takes a portfolio approach to making risk-based capital allocation decisions, and we are guided by our capital allocation framework. The framework is overseen by the Investment Committee, which is composed of Cenovus Leadership Team members and chaired by the Chief Financial Officer. The Investment Committee evaluates all opportunities in a standardized way, using consistent evaluation methodologies and assumptions. This allows us to evaluate risks and trade-offs, understand overarching impacts on our business and prioritize projects to determine which opportunities are best aligned to achieving our strategy.

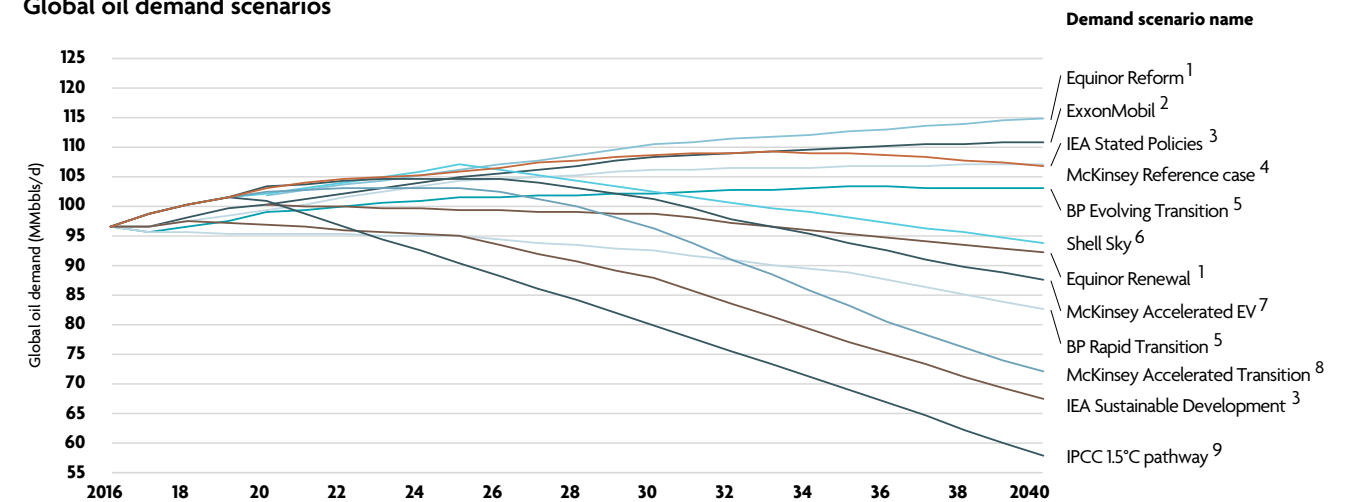
In 2019, we integrated our four ESG focus areas into our capital allocation framework. This ensures that continued progress towards achieving our targets is an important part of our business decision making, alongside other key investment criteria and priorities. It also provides an additional lens when evaluating and optimizing our portfolio, from asset development planning to decisions about project approvals, acquisitions and divestitures. Including ESG metrics in these decisions helps ensure we assess a fulsome range of considerations to continue to create value and deliver on our commitments to shareholders. We're taking a continuous improvement approach on how each ESG factor is assessed within our evaluation process.



TESTING RESILIENCE USING SCENARIO ANALYSIS

Cenovus integrates the potential impact of GHG regulations and the cost of carbon at various price levels into the business planning process. To mitigate uncertainty surrounding future emissions regulation, we evaluate our development plans under a range of carbon-constrained scenarios. We have considered the International Energy Agency (IEA) scenarios in our strategic planning for several years and also conduct ongoing assessments of both public and private scenarios.

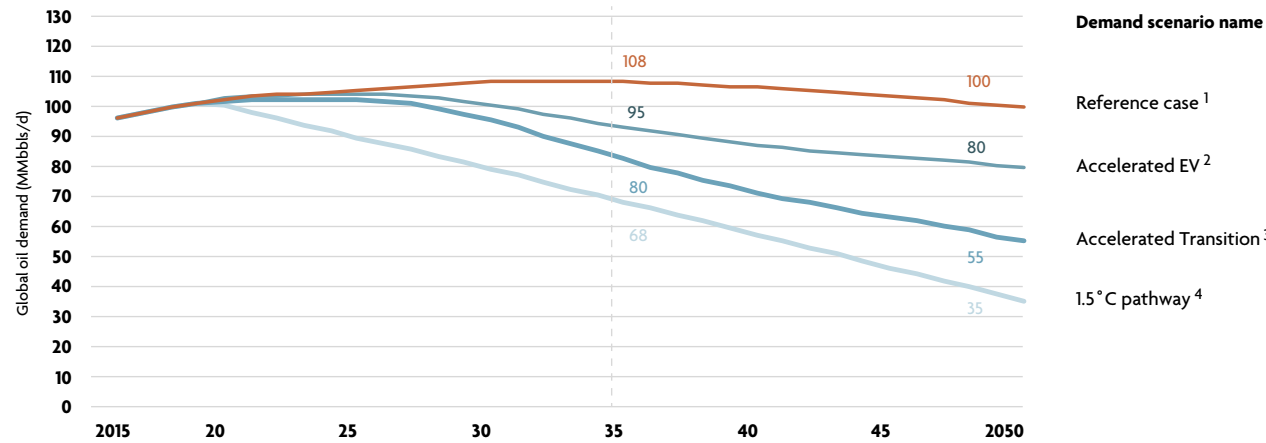
Global oil demand scenarios



1 Equinor Energy Perspectives (May 2019)
 2 ExxonMobil Outlook for Energy (Feb 2019)
 3 IEA World Energy Outlook (Nov 2019)
 4 McKinsey Energy Insights' Global Energy Perspective 2019: Reference case
 5 BP Global Energy Outlook (Feb 2019)
 6 Shell Scenarios (Apr 2018)
 7 McKinsey Energy Insights' Global Energy Perspective 2019: Data from transportation sector demand in the Accelerated Transition case applied to data from all other sectors in the Reference case
 8 McKinsey Energy Insights' Global Energy Perspective 2019: Accelerated Transition
 9 Intergovernmental Panel on Climate Change Special Report 1.5°C median of low overshoot pathways (2018)

In 2019, working with global experts, we evaluated four demand scenarios, shown in the graph on the next page, to test potential downside business risk related to a more carbon-constrained world. Demand scenarios were based on various assumptions about technology shifts and government mandates that could impact oil demand. We assessed specific factors such as electric vehicle adoption rates, chemicals and plastics demand, alternative fuel uptake in aviation and marine industries as well as oil production technology, transportation costs and electrification potential in domestic and industrial sectors. For each demand scenario, we also assigned a West Texas Intermediate price forecast, for internal purposes only, using global supply-demand outlooks. Our analysis included testing against a 1.5 degree Celsius scenario aligned with the **Paris Agreement**.

Four demand scenarios



1 McKinsey Energy Insights' Global Energy Perspective 2019: Reference case
 2 McKinsey Energy Insights' Global Energy Perspective 2019: Data from transportation sector demand in the Accelerated Transition case applied to data from all other sectors in the Reference case
 3 McKinsey Energy Insights' Global Energy Perspective 2019: Accelerated Transition
 4 Intergovernmental Panel on Climate Change Special Report 1.5°C median of low overshoot pathways (2018)

Demand scenario chart

Demand Scenario	Variable inputs		Carbon price scheme		Clean Fuel Standards compliance costs ⁷
	Global oil demand (2050)	Carbon price	Current scheme ⁵	All emissions ⁶	
Reference case	~100 MMbbls/d	\$50/tonne & \$100/tonne	✓		
Accelerated EV	~80 MMbbls/d	\$100/tonne	✓		
Accelerated Transition	~55 MMbbls/d	\$100/tonne	✓	✓	✓
1.5°C pathway	~35 MMbbls/d	\$300/tonne		✓	✓

⁵ Under existing carbon pricing regulation
⁶ Flat carbon tax
⁷ A range of CFS compliance costs have been estimated by [Canadian Energy Research Institute](#)
⁸ All scenario analysis work was done in Q4 2019 prior to any indications of the impacts of COVID-19

As part of the scenario analysis process as shown in the demand scenario chart, we examined variable demand inputs ranging from approximately 35 MMbbls/d in 2050 to about 100 MMbbls/d in 2050, as well as carbon prices ranging from \$50 per tonne to \$300 per tonne. Clean Fuel Standard (CFS) compliance costs were also considered under certain scenarios (a fuel gas tax at \$2 per thousand cubic feet serves as a proxy for these compliance costs). Scenarios where demand exceeds 100 MMbbls/d in 2050 were not tested for this particular exercise since that level of demand did not affect decisions relating to our GHG emissions strategy.

We examined potentially viable GHG-reduction levers for Cenovus under all scenarios to determine which levers would be net present value positive, reduce emissions and not disrupt operations. This helped us determine which levers could be implemented consistently, and which levers would likely only be implemented under certain scenarios.

The results of our scenario analysis reinforce our viewpoint that we can be part of the energy future.⁸ Achieving our 2030 GHG emissions targets improves our competitive positioning in three of the demand scenarios. As we continue to monitor key signposts and update and refine our business plan based on our view of which scenario is most likely to materialize, we are confident we can position ourselves to take advantage of opportunities that will help us adjust to any lower-carbon future, including a 1.5 degree Celsius scenario aligned with the Paris Agreement. See [Advisory](#) at the end of this report.

Signpost tracking

We continue to monitor key signposts that help guide our decision making around which scenarios would be most likely to materialize as we continue to evaluate our strategy and identify new opportunities.

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

- Macro trends affecting product supply and demand (e.g. electric vehicles, COVID-19)
- Regulatory and policy changes
- Improved transportation and energy efficiencies
- Disruptive technologies



RISKS & OPPORTUNITIES

By further integrating ESG considerations into our business, we're building capacity to better manage climate-related risks and seize opportunities over the short, medium and long term.

We have the potential to reduce costs and improve efficiencies across our operations while limiting our impact on air, land and water through innovation and technology. Additionally, by collaborating with external partners, we have the potential to find game-changing environmental solutions that could be applied not only to our business, but to industries in Canada and around the world. As we move toward achieving our targets, we will continue to position our company to be resilient through a transition to a lower-carbon future.

RISK MANAGEMENT

In the pursuit of Cenovus's strategic objectives, the company is exposed to a number of risks, some of which impact the entire oil and gas industry and others that are unique to our operations. The Board is responsible for ensuring that proper systems and practical procedures are in place to identify, monitor and mitigate risks. Additionally, the Board has delegated oversight of specific risks to its committees, with a view to each committee's mandate and expertise. Effective risk management helps ensure consistent and reliable execution of our strategy and major business objectives.

Our ERM program drives the identification, measurement, prioritization and management of risk across Cenovus and is integrated with COMS. The ERM Policy outlines expectations for the ERM program across Cenovus as well as the roles and responsibilities of all staff. Building on the ERM Policy, we have established a framework supported by several standards and tools. Our Risk Management Framework contains the key attributes recommended by the International Standards Organization in its ISO 31000 – Risk Management Guidelines.

Risks are assessed considering potential health and safety, operational, financial, environmental, and regulatory and reputational impacts to our business in the context of our risk tolerance. The results of our ERM program are presented to the Board through an Annual Risk Report as well as regular updates, and reflected in our Management's Discussion & Analysis (MD&A).

The following table outlines a high-level summary of ESG-related risks that we face over the short, medium and long term. For the purposes of this section, short term is from 2020-2025, medium term is 2026-2030 and long term is 2031-2040 and beyond.

In alignment with TCFD and SASB, we identify our risks and demonstrate examples of our approach to mitigating these risks within the table on the following page. The potential financial impacts of ESG-related risks on our business include: increased operating, capital or compliance costs; higher insurance premiums; lower cash flows; declining demand for our products; reduced access to capital; and lower market valuation or revenues.

For a comprehensive list of the material risks related to Cenovus, refer to our [2019 MD&A](#).

High level ESG risks and examples of mitigation strategies

TCFD risk category ¹	Description and details	Examples of risk management strategies ²
Supply and demand and commodity prices	<p>Under certain aggressive low-carbon scenarios, potential oil and natural gas demand erosion could contribute to commodity price fluctuations.</p> <p>Medium- and long-term demand destruction could be driven by factors such as increased decarbonization policies, decreased demand for transportation fuels, increased adoption of alternative fuels and long-term weather pattern changes.</p>	<ul style="list-style-type: none"> • Stress testing our corporate strategy to ensure financial resilience against a variety of demand and carbon price scenarios including a 1.5 degree Celsius scenario. • Advancing a strategy that leverages our best-in-class reservoirs, low operating costs and leading oil sands emissions performance. • Executing our plan to achieve our GHG emissions targets and long-term ambition. • Focusing on technology development, collaboration and innovation to find both incremental and game-changing solutions to reduce the costs and GHGs associated with our production. • Advocating for effective carbon policy that provides a balance between environmental, economic and social outcomes.
Market access	<p>Opposition to new and expanded pipeline projects by activists is influenced by concerns about GHG emissions associated with oil sands development and end-use combustion of fuels. Additional concerns about pipeline spills can create opposition to new pipeline development at a local level. This could result in disruptions in, or restricted availability of, pipeline, rail or marine services.</p>	<ul style="list-style-type: none"> • Increasing our ability to access markets through our Bruderheim crude-by-rail loading terminal, which provides long-term optionality in the case of pipeline constraints. • Advocating for new pipeline and pipeline expansion projects, including ongoing engagement efforts to help address concerns about pipeline expansions. • Non-operated ownership in U.S. refining assets to help mitigate exposure to heavy oil differentials. • Diversifying our future commitments across multiple pipeline projects to provide optionality in the event of delays or disruptions.
Access to capital	<p>More restrictive decarbonization policies of institutional investors, lenders and insurers could affect Cenovus's ability to access capital and insurance.</p> <p>The future development of our business may be dependent upon our ability to obtain additional capital, including debt and equity financing.</p>	<ul style="list-style-type: none"> • Maintaining a strong balance sheet and ensuring that we have access to multiple sources of capital. • Regularly engaging with our investors, lenders and insurers to address concerns and understand mandates. • Ensuring reporting transparency, including following the recommendations of TCFD. • Establishing targets to drive ESG performance and integrating ESG considerations into our capital allocation decisions. • Focusing on technology development, collaboration and innovation to find both incremental and game-changing solutions to reduce our costs and GHG emissions associated with our production.

¹ This table has been adapted and customized from TCFD.

² These are examples and are not an exhaustive list of Cenovus's risk management strategies.

	TCFD risk category ¹	Description and details	Examples of risk management strategies ²
Transition risks – Policy & legal	Climate and GHG emission regulation	There is growing concern from people around the world about climate change. Federal, provincial and U.S. state governments are supporting the transition to a lower-carbon future by introducing increasingly stringent climate-related policies. Cenovus could face growing carbon-related costs or barriers, which may impact our long-term business resilience.	<ul style="list-style-type: none"> • Maintaining our position as a low-cost producer that is situated to thrive in a lower-carbon future. • Executing our plan to achieve GHG emissions targets and long-term ambition. • Focusing on technology development, collaboration and innovation to find both incremental and game-changing solutions to reduce our costs and GHG emissions intensity. • Engaging with various governments on sound carbon policies. • Meeting and potentially exceeding stringent regulatory compliance in jurisdictions where we operate.
	Other risks	Indigenous engagement	Many of our closest neighbouring communities, particularly in our oil sands operating areas, are Indigenous (First Nations and Métis). If we are unable to maintain a positive relationship with Indigenous communities near our operations, it could adversely impact our progress and ability to develop and operate properties.
		Land & wildlife	Our activities on the land are temporary. If we are unable to develop, execute on and complete ongoing reclamation plans and proactively manage our interactions with wildlife, it could adversely impact our progress and ability to explore and develop properties.

¹ This table has been adapted and customized from TCFD.

² These are examples and are not an exhaustive list of Cenovus's risk management strategies.

TCFD risk category ¹	Description and details	Examples of risk management strategies ²
Water stewardship	<p>Our water use is subject to regulatory licensing, which could affect the amount of water available for our use, impacting the ability to generate steam thus causing oil production to decline or operating expenses to increase.</p> <p>Over the long term, water availability could become more challenging.</p>	<ul style="list-style-type: none"> • Executing our plan to achieve our fresh water intensity (FWI) target. • Continuing to use primarily saline water in our oil sands operations. • Maintaining a focus on managing our non-saline water intensity to reduce costs and optimize water usage. • Investing in technology to increase the efficiency of water use in our operations including through industry collaboration. • Continuing to recycle over 85 percent of the water used to make steam at our oil sands operations.
Technology	<p>We depend on the availability and scalability of existing and emerging technologies to meet our business goals, including our ESG targets.</p> <p>Disruptive technologies that reduce demand for oil and natural gas could have a negative impact on our operations over the longer term.</p>	<ul style="list-style-type: none"> • Monitoring emerging issues and technology developments for incorporation into our business strategy where applicable. • Focusing on technology development, collaboration and innovation to find both incremental and game-changing solutions. • Undertaking regular scenario analysis to test the resilience of the business under reduced demand for oil and natural gas.
Reputation	<p>Development of fossil fuels, and in particular the Alberta oil sands, has received considerable negative attention relating to environmental impact, climate change, and GHG emissions.</p> <p>We rely on our reputation to build and maintain positive relationships with investors and other stakeholders, to recruit and retain staff, and to be a credible, trusted company.</p>	<ul style="list-style-type: none"> • Responsibly developing oil and natural gas assets in a safe, innovative and efficient way. • Upholding our core values: safety, integrity, performance and accountability. • Upholding our commitment to our Sustainability Policy. • Ongoing efforts to maintain two-way dialogue with governments. • Maintaining a commitment to transparency by taking an open approach to communication with key stakeholders. • Conducting regular reputational risk exercises. • Ongoing external communications efforts about the benefits of our industry and our ESG achievements. • Executing our plan to achieve our target to reduce GHG emissions.

¹ This table has been adapted and customized from TCFD.

² These are examples and are not an exhaustive list of Cenovus's risk management strategies.

	TCFD risk category ¹	Description and details	Examples of risk management strategies ²
Other risks	Leadership and talent	<p>Our success is dependent upon our management team, our leadership capabilities and the quality and competency of our employees.</p> <p>Negative public perception of the fossil fuels industry, and especially the oil sands, may reduce the pool of experienced, skilled people available to work in oil and gas as well as impact our ability to retain talent with the necessary leadership, professional and technical skills.</p>	<ul style="list-style-type: none"> • Creating an environment that supports development, provides interesting work, promotes wellbeing and provides recognition. • Offering competitive compensation and flexible benefits plans, including best-in-class mental health benefits. • Investing in our people, ensuring we have the required skills, knowledge and expertise to deliver on the Cenovus strategy and business plan while striving for continuous improvement. • Supporting a diverse and inclusive workplace focused on providing an environment where people feel respected, valued and listened to. • Ongoing external communications efforts about the benefits of our industry and our ESG achievements.
	Health and safety	<p>As an energy company involved in the exploration, recovery, transportation and processing of oil and gas, we are exposed to significant health and safety risks. If we are unable to manage these risks appropriately, we could face circumstances such as loss of life, injuries, significant operational, environmental or reputational impacts.</p>	<ul style="list-style-type: none"> • Establishing a culture of safety through every level of the organization. • Maintaining robust process safety processes and emergency management protocols. • Conducting regular emergency exercises at our operations. • Maintaining a strong health and safety training program. • Advancing our safety culture through our Joint Work Site Health & Safety Committees (JWSHSC). • Implementing a Contractor Safety Management Program. • Recognizing strong contractor safety performance through our annual Cenovus Health & Safety Stewardship Awards.
Physical risks	Acute	<p>Our crude oil and natural gas production activities are subject to acute physical risks such as floods, forest fires, earthquakes and temperature extremes.</p> <p>A systemic change in temperature or precipitation patterns could result in more wildfires or floods and increased frequency and magnitude of extreme weather events.</p>	<ul style="list-style-type: none"> • Maintaining the reliability and integrity of our operating assets by providing effective asset management systems and expertise. • Engineering our facilities to withstand extreme weather events and wildfires. • Maintaining up-to-date emergency response plans (ERPs) at each location to help our staff prepare for, respond to and manage an incident. • Maintaining an up-to-date business continuity plan. • Conducting regular emergency management exercises at our sites.
	Chronic	<p>Our crude oil and natural gas production activities are subject to chronic physical risks such as a shorter timeframe for our winter drilling program, changes in the water table and reduced access to water due to drought conditions.</p> <p>A systemic change in temperature or precipitation patterns could result in more challenging conditions for the construction of ice roads, execution of our winter drilling program and reclamation activities and could reduce the availability of water due to the increasing likelihood of drought conditions.</p>	<ul style="list-style-type: none"> • Extensively planning and building redundancies into our operations to bring equipment in and out of our locations during the winter. • Using technology to allow us to access remote locations and conduct reclamation activities year-round. • Reducing our need for surface water by using saline water from underground reservoirs and continually looking for ways to reduce and recycle water in our operations.

¹ This table has been adapted and customized from TCFD.

² These are examples and are not an exhaustive list of Cenovus's risk management strategies.

OPPORTUNITIES

Cenovus's process for identifying ESG and climate-related opportunities involves the continuous evaluation of technologies, markets and regulatory policies. Any decisions to further diversify or shift the focus of our asset portfolio would be weighed against existing opportunities to create shareholder value. These opportunities would be thoroughly researched and analyzed, and comprehensively reviewed by the Board to ensure we have the relevant competencies to remain competitive.

In the table below, we've identified ESG-related opportunities based on Cenovus's current strategic position. Seizing these opportunities could result in potential financial benefits such as reduced operating costs through efficiency gains, increased production capacity, improved market access, higher revenues and cash flows, increased value of fixed assets, rising market valuation, lower compliance costs, decreased insurance premiums or greater access to capital at lower costs.

High level ESG opportunities and examples of Cenovus's actions

Opportunity ¹	Examples of Cenovus's actions ²
<p>Resource efficiency</p> <p>Organizations that improve efficiencies across their operations can achieve direct cost savings over the medium to long term and contribute to the global efforts to curb emissions and reduce environmental impact.</p>	<ul style="list-style-type: none"> • Maintaining an industry leading steam-to-oil-ratio (SOR). • Testing several SAGD enhancement technologies, such as solvent-aided process (SAP) and solvent-driven process (SDP) technologies, to improve performance and reduce costs at our oil sands operations while limiting our impacts on climate, air, land and water. • Collaborating with industry peers to share innovative approaches to improve environmental performance and reduce operating costs by developing new technologies. • Generating offset and emissions performance credits through energy efficiency and emissions reduction activities under government regulations. • Implementing a zero-based design approach to building our SAGD well pads that minimizes our footprint. • Continuing to achieve downhole technology improvements that contribute to more efficient, longer well designs that allow us to recover more oil with less surface impact and lower costs.
<p>Energy source</p> <p>Organizations that shift their energy usage toward low emission energy sources could potentially save on annual energy costs.</p>	<ul style="list-style-type: none"> • Operating cogeneration plants at our oil sands facilities. • Utilizing solar or grid-powered electrical chemical injection pumps rather than natural gas-driven pneumatic pumps. • Converting process instruments to use compressed air or electricity rather than natural gas. • Using solar panels to provide electricity needed to operate equipment across our conventional operations and supplementing solar with methanol-powered electrochemical circuits. • Using electricity from the grid instead of diesel engines to power drilling rigs at our oil sands sites.

¹ This table has been adapted from TCFD and uses terminology in the first column outlined in the framework.

² These are examples and are not an exhaustive list of Cenovus's opportunities.

Opportunity¹

Examples of Cenovus's actions²

Products and services

Organizations that innovate and develop new low-emission products and services may improve their competitive position and capitalize on shifting consumer and producer preferences.

- Supporting the NRG COSIA Carbon XPRIZE to develop innovative approaches to convert carbon dioxide (CO₂) emissions from burning fossil fuels into valuable products and consumer goods (this prize is an initiative by NRG Energy, Canada's Oil Sands Innovation Alliance or COSIA and the XPRIZE Foundation).
- Co-founding and investing up to \$50 million over 10 years in Evok Innovations, a first-of-its-kind \$100 million investment partnership to provide early-stage funding to cleantech companies working on technologies that could help the oil and natural gas industry improve environmental performance and efficiency.
- Producing natural gas to be used as a lower-carbon fuel and help displace coal-fired electricity generation.

Markets

Organizations that proactively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a lower-carbon economy.

- Operating cogeneration plants at our oil sands facilities and selling surplus electricity to the Alberta grid. Electricity generated by cogeneration has a lower emissions profile than that of coal-fired electricity generation.
- Possible future investment in initiatives that generate credible, additional and permanent offsets.
- Advocating for improved market access that could position Canadian oil producers, including Cenovus, to become global suppliers of choice for responsibly produced oil and displacing oil from other jurisdictions with lower environmental standards and transparency than Canada.

Resilience

Organizations that develop adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks, will be better positioned to thrive in a lower-carbon economy.

- Advancing a strategy that leverages our best-in-class oil sands reservoirs, leading operating costs and low SOR.
- Maintaining a strong balance sheet and ensuring that we have access to multiple sources of capital.
- Establishing targets and plans to drive ESG performance and integrating ESG considerations into our capital allocation decisions.
- Employing the right business model and people to achieve these targets while maintaining our focus on our low cost structure, generating free funds flow and growing shareholder returns.
- Tracking and reporting on our progress, including following the recommendations of TCFD.
- Upholding our commitment to our Sustainability Policy.
- Focusing on technology development, collaboration and innovation to find both incremental and game-changing solutions to environmental challenges.

¹ This table has been adapted from TCFD and uses terminology in the first column outlined in the framework.

² These are examples and are not an exhaustive list of Cenovus's opportunities.

ESG TOPICS





ENVIRONMENT

Cenovus recognizes that operating in an environmentally responsible manner is integral to strong financial performance and the long-term sustainability of our business.

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 environmental impacts and improve our performance by adhering to our Environmental Commitments.

ENVIRONMENTAL COMMITMENTS

- 1 Taking care of the environment is part of what we do
- 2 We incorporate environmental considerations when planning our work
- 3 Through innovation and efficiency, we limit our impacts on air, land and water resources
- 4 Our activities are temporary, we conserve resources and reclaim impacts
- 5 We take actions to continually improve our environmental performance

REGULATORY ENVIRONMENT

With operations in Alberta and British Columbia, Cenovus is subject to some of the world's most rigorous regulatory processes and compliance requirements for our oil sands facilities, our crude-by-rail loading terminal and conventional assets. We adhere to relevant federal and provincial legislation and regulations in the jurisdictions where we operate.

GHG emissions regulations and carbon policy

Oil sands emissions limit

Under its existing carbon policy, Alberta has committed to limiting gross oil sands emissions to a province-wide total of 100 megatonnes (MMt) per year. Total industry emissions are currently well below that level. Given Cenovus's best-in-class oil sands reservoirs and leading emissions performance, and our target of holding absolute emissions flat by 2030, we do not expect the emissions limit will impede the continued operation of our existing oil sands projects or our ability to obtain necessary environmental and regulatory approvals for future oil sands development.

Carbon pricing

Cenovus's operations are subject to carbon pricing in the provinces where we operate. In Alberta, 100 percent of Cenovus's oil sands and about 15 percent of our conventional operations were subject to carbon pricing for large industrial emitters under Alberta's **Carbon Competitiveness Incentive Regulation (CCIR)** in 2019. Effective in 2020, 100 percent of combustion-related emissions from Cenovus's operations are subject to a carbon pricing regime under Alberta's **Technology, Innovation & Emissions Reduction (TIER) Regulation**. This program aligns with the Government of Canada's carbon pricing regime, which prices emissions at \$30 per tonne in 2020, \$40 per tonne in 2021 and \$50 per tonne in 2022 and beyond.

The Government of British Columbia, which started its regime earlier than the federal government, has currently set the price of carbon at \$40 per tonne. The price is projected to rise to \$50 per tonne by 2021. While we have assets in British Columbia, we currently have minimal production in the province.

Methane emissions

Reducing methane emissions is a critical part of any plan to address climate change as it is a far more potent GHG than CO₂.

In addition to GHG emissions pricing, the federal government has set a requirement for oil and natural gas producers to reduce methane emissions by 45 percent by 2025, relative to 2012 levels. The Alberta and British Columbia governments have set similar targets to reduce methane emissions by 45 percent by 2025, relative to 2014 levels.

Cenovus has already made significant progress in reducing methane emissions, and we have several projects underway at our operations to help us meet future regulatory requirements. For more details, see **Methane reduction** under the Levers to reduce GHG emissions section.

Cenovus's view on carbon pricing

Cenovus has always supported a price on carbon as an effective tool to encourage emissions reductions. We believe the fairest and most effective way to price carbon is on a global basis with a portion of the revenues directed towards the development of carbon-reducing technologies. Done properly, we believe that carbon pricing can help stimulate innovation in our industry and achieve our ambition of being both cost and carbon competitive globally.

When implementing carbon pricing regulations, we believe that governments must consider the economic impact of carbon pricing cumulatively along with the impact of corporate taxes, increased regulatory requirements, changes to royalty regimes and other policy measures. It's important that these measures do not put Canada's oil and gas sector at a competitive disadvantage with other oil-producing jurisdictions, such as the U.S., and that Canada is able to remain globally competitive.

An effective climate policy to prevent carbon leakage must create a balance between incenting emissions reductions and avoiding the shifting of capital investment to jurisdictions that have weaker carbon regulations. A consistent international price on carbon would create a level playing field.

Water regulations

Cenovus adheres to the Alberta Energy Regulator (AER) and British Columbia Oil and Gas Commission regulations that determine how water is allocated and used to recover oil and natural gas resources.

The Alberta and British Columbia governments closely monitor and regulate water use. We apply for licences and are required to demonstrate how much water we will consume to avoid adversely affecting or disturbing the ecosystem in the area. We continue to monitor our water use throughout the entire life of the project to ensure we adhere to regulatory requirements.

Land & wildlife regulations

Cenovus operates under a number of federal and provincial environmental regulations and policies with respect to land and wildlife. Some of these include but are not limited to the following:

- Alberta Land Stewardship Act (Alberta)
- Canadian Environmental Protection Act (Canada)
- Caribou Policy and Range Plan (Alberta)
- Environmental Protection and Enhancement Act (Alberta)
- Public Lands Act (Alberta)
- Species at Risk Act (Canada)

MEASUREMENT AND REPORTING

As part of our commitment to environmental stewardship and continuous improvement, we track and report a broad range of environmental metrics and disclose our environmental management approach, risks and performance through our annual ESG report with additional disclosures found in the MD&A, Annual Information Form and Management Information Circular.

How COMS applies to environment

We implement our company-wide commitments to the environment (climate & GHG emissions, land & wildlife and water stewardship) through COMS. To see how COMS applies to the environment, please visit the [Appendix](#).





CLIMATE & GHG EMISSIONS

In response to growing global concerns about climate change, the world is already in the process of transitioning to a lower-carbon future. Cenovus believes it is well positioned to be a part of that future. Companies that fail to adapt will face growing carbon-related risks, while those that act now will position themselves for long-term success.

With virtually all credible forecasts suggesting that oil and natural gas will be needed for decades to come to help meet the world's growing energy demand, we believe that thriving in a highly competitive, lower-carbon economy must be a priority for our company, our industry and for Canada.

This requires new solutions to solve the emissions and energy demand challenges our world faces and requires engagement in constructive discussions to support the development of effective policies and the advancement of technologies to reduce emissions.

Climate & GHG emissions 2030 targets

We plan to reduce our per-barrel GHG emissions by 30 percent by the end of 2030, using a 2019 baseline of 0.34 t CO₂e/m³OE, and hold our absolute emissions flat at 8.8 MMt CO₂e by the end of 2030. These are among the most ambitious GHG reduction targets in the world for an upstream exploration and production company like ours. In setting our GHG targets, we worked comprehensively with global experts to stress test both the targets and our strategic options for achieving them. We undertook extensive **scenario analysis** to assess the resiliency of our business as we experience anticipated increases in carbon taxes in the jurisdictions within which we operate.

CLIMATE & GHG EMISSIONS 2030 TARGETS¹



Reduce emissions intensity by

30%

Hold absolute emissions flat

Ambition: Reach **net zero** emissions by 2050

¹Includes scope 1 and 2 emissions from operated facilities. Uses a 2019 baseline. For more details, see the **Definitions** section.

Net zero emissions by 2050

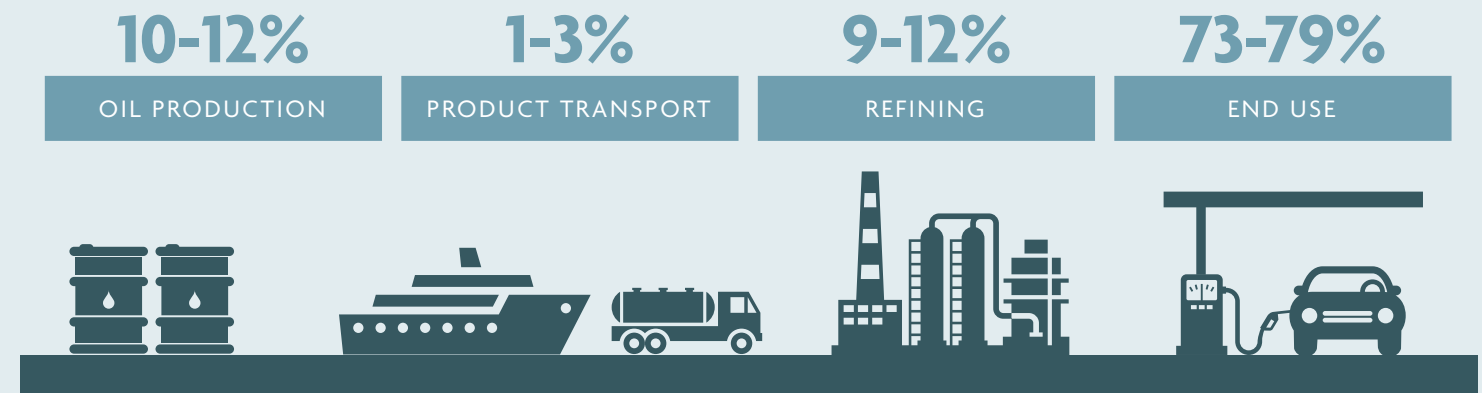
Cenovus's long-term ambition to reach net zero emissions by 2050 reflects our commitment to doing our part, along with the rest of society, to address Canada's Paris Agreement commitments. This is intended to address upstream (scope 1 and scope 2) emissions and will require an ongoing focus on technology solutions beyond those that are commercial and economic today.

While Cenovus's targets do not include scope 3 emissions, the company is aware that the greatest opportunity to address emissions from oil comes from solutions for end use combustion, where about three-quarters of the emissions from a barrel of oil are generally created.

We continue to identify opportunities to participate in longer-term solutions to address emissions from our operations and beyond. This includes extensive collaboration efforts to drive industry-wide and global change. Cenovus is committed to playing a role in these broad-based solutions, including through participation in opportunities such as the NRG COSIA Carbon XPRIZE, Evok Innovations, Clean Resource Innovation Network (CRIN) and the Massachusetts Institute of Technology Energy Initiative. Learn more about our [technology collaborations](#).

Setting a long-term ambition now and examining a range of options to achieve it gives us the opportunity to better understand what we need to do to create a resilient business plan that will leave us well positioned to participate in the transition to a lower-carbon world.

GHG emissions from wells to wheels¹



Oil can be part of a clean energy future if emissions are addressed across the value chain. The biggest opportunity is finding a solution for end use emissions.

¹IHS Energy. Comparing GHG intensity of the oil sands and the average U.S. crude oil, 2014. Range based on average U.S. barrel refined in the U.S. (2005) and Canadian oil sands SAGD bitumen.

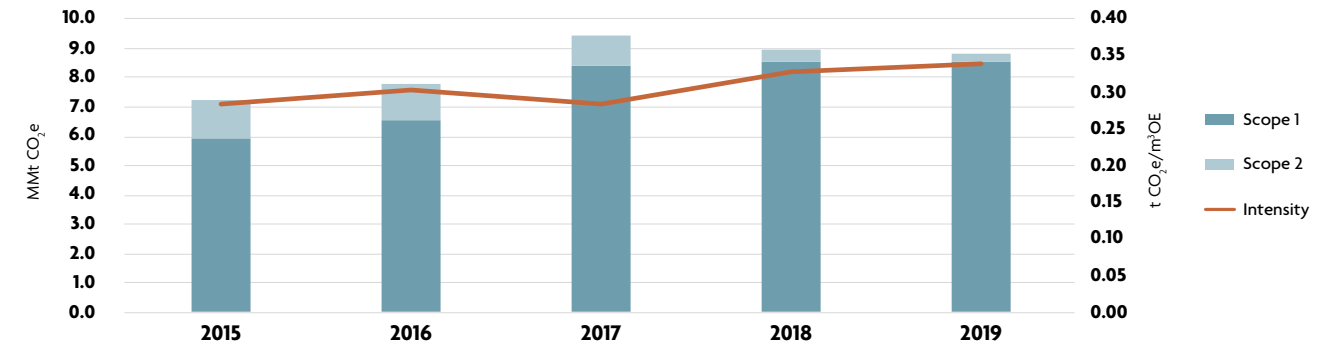
OUR 2019 EMISSIONS PERFORMANCE

Cenovus's emissions performance in 2019 was impacted by unique circumstances related to our response to external factors. Due to a continued lack of adequate pipeline and rail takeaway capacity in Alberta that continued to negatively impact the price of oil in Western Canada, the provincial government maintained a mandatory curtailment program for oil producers last year.

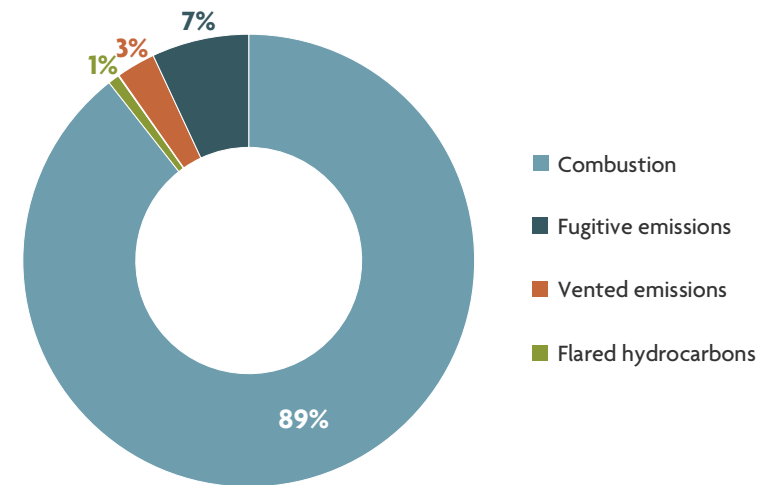
In the first half of 2019, Cenovus achieved first steam from Christina Lake Phase G but subsequently deferred the planned ramp-up of oil production to comply with the curtailment order. At the same time, the company decided to maintain steam injection levels to help protect the integrity of our oil sands reservoirs and allow us to continue heating and mobilizing oil to store in the ground for production at a later date. As a result of these actions to address curtailment, our GHG emissions intensity temporarily increased in 2019. When production returns to more typical levels, we expect to see a normalization of our per-barrel emissions.

Cenovus remains committed to achieving its 2030 GHG targets and to working towards its 2050 net zero emissions ambition, though we acknowledge that progress won't be linear.

Gross scope 1 & scope 2 emissions



Gross scope 1 emissions by source¹



¹ Combustion includes emissions from stationary devices including steam generators, turbines, boilers, heaters, engines, diesel, propane and mobile sources including company-owned fleet. Most of our combustion is from our steam generation in the oil sands. Please refer to the Reporting data on p. 75 for the breakdown on emissions by source.

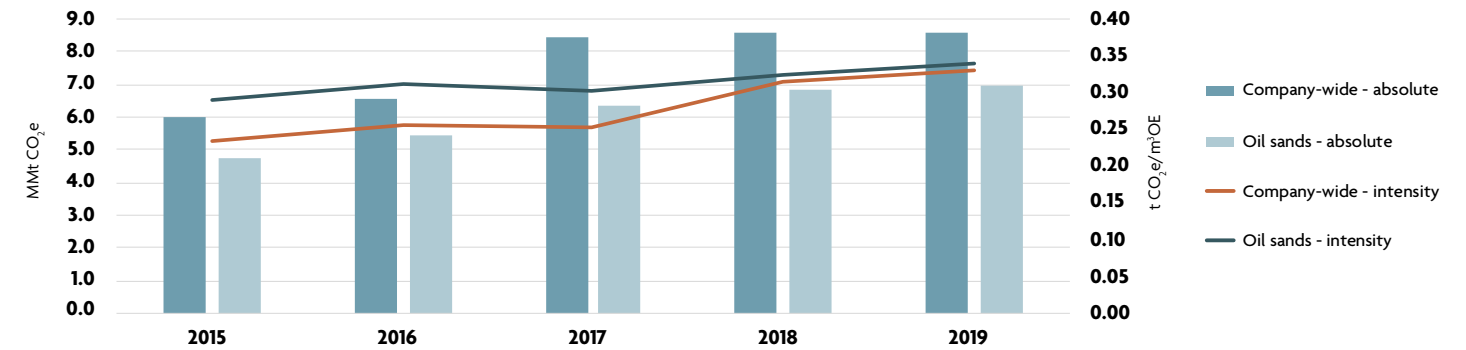
Emissions performance

Our company-wide scope 1 absolute emissions remained relatively flat between 2018 and 2019, with a slight increase from oil sands as a result of Christina Lake Phase G coming online in early 2019. As mentioned, a decision to continue steaming at our oil sands facilities while reducing production due to curtailment had a negative impact on emissions intensity in 2019. In addition, during the startup of any oil sands phase, such as Phase G, we experience a temporary increase in our per-barrel emissions that gradually decreases over time as oil production increases.

We purchase electricity for our conventional operations, office space and, if required, for our oil sands operations. In 2019, we saw a decrease in our company-wide absolute scope 2 emissions primarily due to decreased production across our conventional assets, resulting in reduced electricity consumption, as well as a less emissions-intensive provincial grid. The Alberta grid has been decreasing its reliance on coal as a fuel source.¹ We experienced a slight increase in absolute scope 2 oil sands emissions due to purchasing more electricity from the Alberta grid, largely associated with annual variances in required cogeneration maintenance.

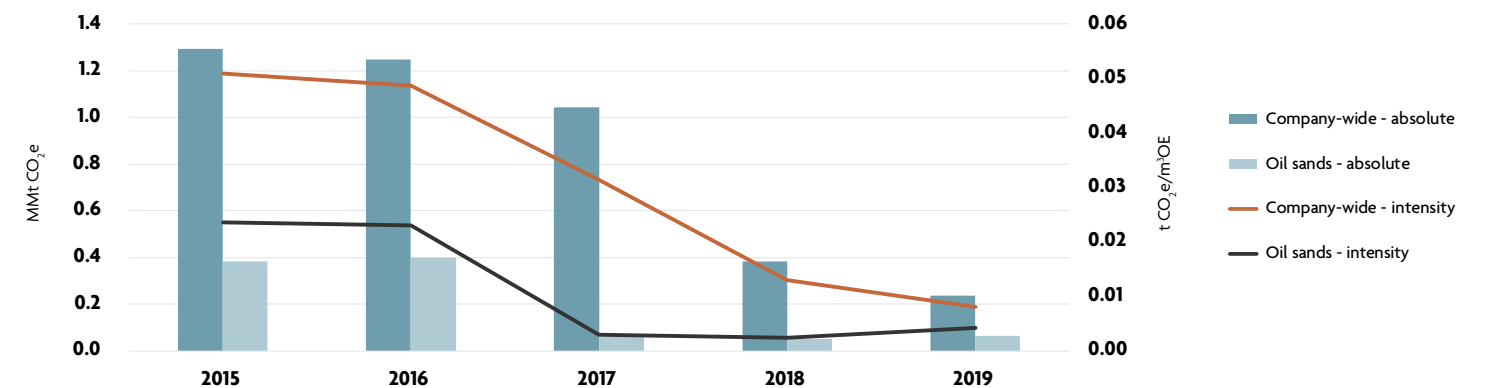
¹ Canada Energy Regulator Canada's Renewable Power Landscape 2017 – Energy Market Analysis

Gross scope 1 emissions²



² Scope 1 emissions are direct emissions from owned or controlled sources. We report scope 1 as controlled emissions on a gross operated basis. This includes fuel combustion, venting, flaring, and fugitive emissions at our operations.

Gross scope 2 emissions³



³ Scope 2 emissions are indirect emissions from the generation of purchased energy for our operations.

TAKING GHG REDUCTION ACTION THROUGH TECHNOLOGY AND INNOVATION

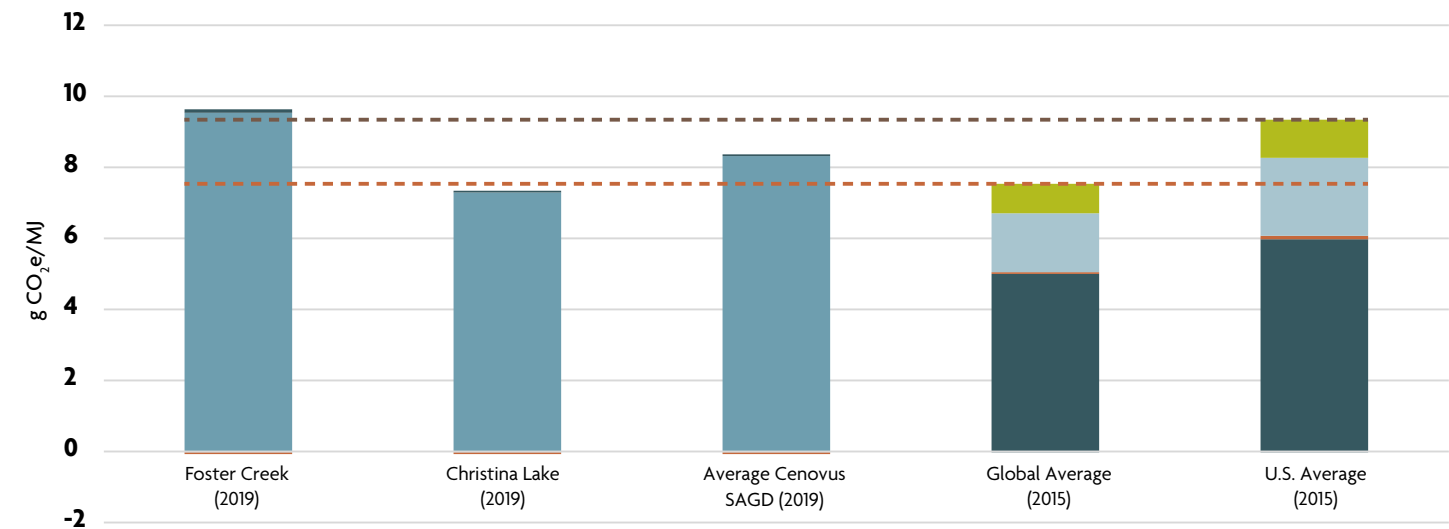
We remain focused on reducing both our cost structure and emissions intensity through technology and innovation.

With technology improvements and enhanced development strategies applied to our best-in-class oil sands reservoirs, we have been able to demonstrate a track record of improvement by reducing our oil sands emissions intensity by approximately 30 percent since 2004, and we're committed to continuing this progress as we advance towards our 2030 GHG intensity target and 2050 net zero emissions ambition.

Current research suggests that GHG emissions from petroleum production can be quite variable. Factors that influence GHG emissions associated with petroleum production include the energy intensity of the production method as well as the venting and flaring of associated methane gas. Global emissions intensity averages are based on estimates, such as those produced by the Oil Production Greenhouse gas Emissions Estimator (OPGEE) model. Conversely, Cenovus's reported emissions adhere to quantification methodologies under CCIR and the Specified Gas Reporting Regulation which align with methods that are prescribed by Environment and Climate Change Canada.

The graph to the right compares actual scope 1 and 2 Cenovus emissions data at Foster Creek and Christina Lake in 2019 with the OPGEE model's estimated 2015 global and U.S. average emissions intensity, adjusted to reflect a comparable life-cycle boundary, as published in the journal Science by Masnadi et al (2018). 2015 is currently the most up-to-date global estimate available from OPGEE.

Scope 1 & 2 GHG intensity from upstream oil and gas production¹



Source: Mohammad S. Masnadi, Physical Science Research Scientist, Department of Energy Resources Engineering, Stanford University

- Stationary fuel combustion
- Production
- Venting, flaring and fugitives
- Surface processing
- Net electricity credit/debit
- - - U.S. average (2015)
- - - Global average (2015)

¹ Global average as published in the journal Science by Masnadi et al. (2018) (10.1126/science.aar6859) adjusted to represent a comparable life-cycle boundary to Cenovus data, reported to the Federal and Provincial authorities under the GHG Reporting Program and CCIR.

Data reported under CCIR is independently verified under the ISO 14064-3 standard to a reasonable level of assurance.

Adjusted Masnadi et al. (2018) data calculated using the Oil Production Greenhouse gas Emissions Estimator (OPGEE) version 2.0 developed by Stanford University.

Net electricity credit reflects cogeneration.

Onsite transportation emissions reported under CCIR are excluded, as these are minimal and not within the scope of OPGEE as published by Masnadi et al. (2018).

All adjustments carried out by Mohammad S. Masnadi, Physical Science Research Scientist, Department of Energy Resources Engineering, Stanford University.

LEVERS TO REDUCE GHG EMISSIONS

In the near term, we are progressing work on solvent-aided recovery processes, additional operational optimization and the use of advanced analytics at our oil sands operations.

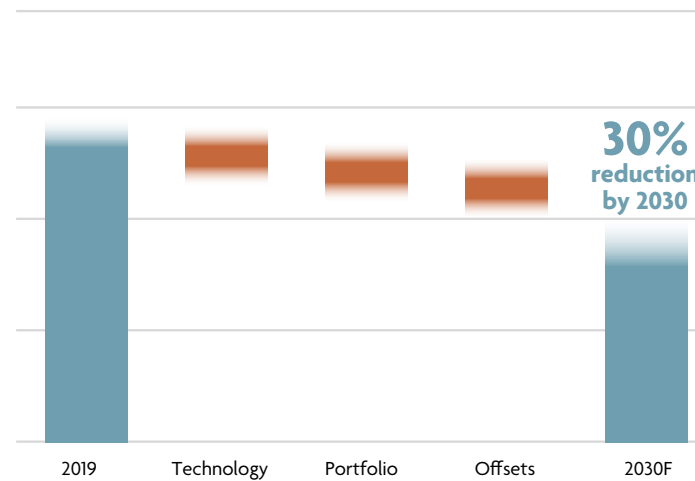
At our conventional assets, we have been deploying technologies to further reduce methane emissions, including conversions to low-bleed instruments, facility venting reduction initiatives, fugitive emissions detection, off-grid electrification and the use of solar-powered chemical injection pumps.

In the medium to long term, we are exploring additional technologies and the potential for future investments in initiatives that generate credible, additional and permanent offsets.

Multiple levers to improve GHG emissions performance

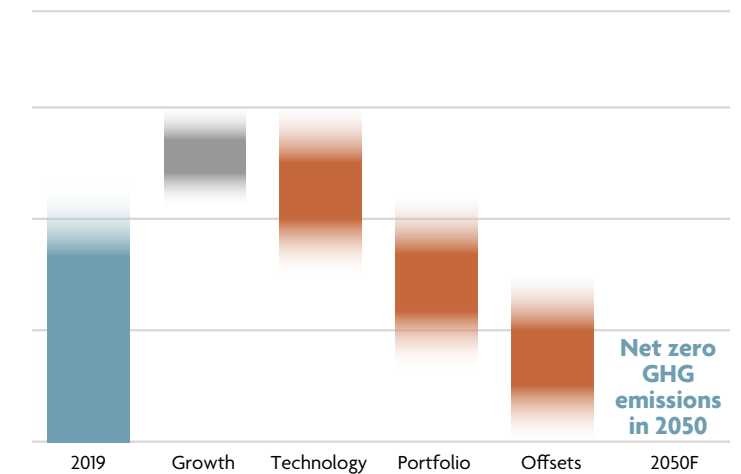
GHG emissions intensity

t CO₂e/m³OE



Net GHG emissions

annual t CO₂e



Solvents

Solvent-aided process (SAP)

SAP technology is a modification of SAGD which involves adding components of natural gas liquid (NGL), such as butane, propane or condensate, to the steam that's injected into the reservoir. These NGL components, which are a byproduct 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.

This technology 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 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.

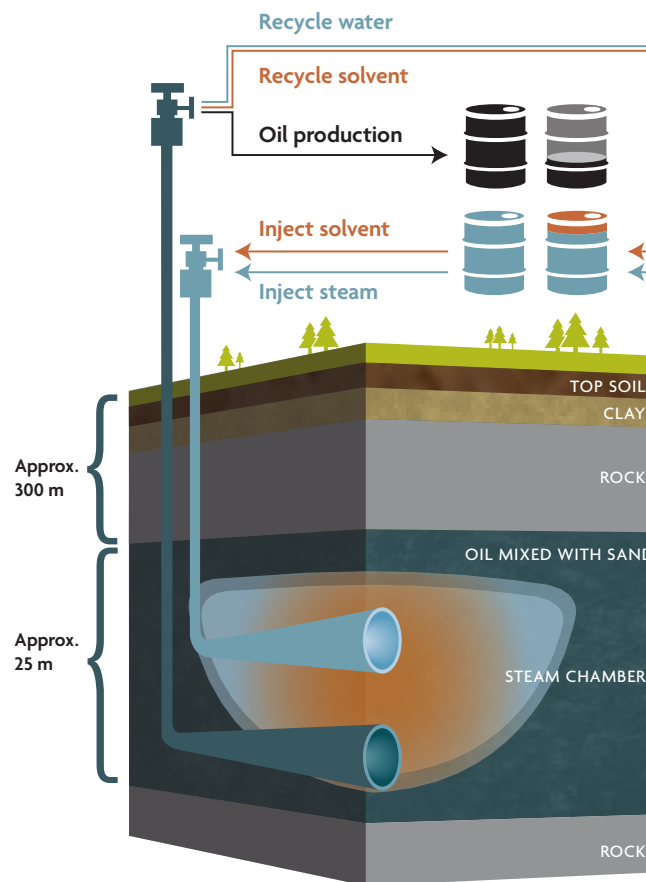
Solvent-driven process (SDP)

In 2017, we began to **field test a new process** at Foster Creek that we call a solvent-driven process or SDP. This pilot is expected to continue for several years to understand the full benefits and drawbacks of the technology. SDP uses a much greater ratio of solvent to steam than our previous solvent pilots and has the potential to achieve even greater reductions in CO₂ emissions than SAP. Cenovus received funding through Natural Resources Canada and Alberta Innovates for our SDP pilot, which has shown promising initial results.

Commercialization

We're expanding the deployment of SAP technology at Foster Creek through a multi-well pad pilot project. We plan to invest approximately \$100 million, funded in part by Emissions Reduction Alberta, to bring the project online. We anticipate this will result in about 10,000 barrels per day of production being operated under SAP. The project, along with our Foster Creek SDP pilot, will help us make decisions about the deployment of solvents on a commercial scale. We continue to evaluate solvent technologies and may take these projects to pilot and commercialization as we progress.

Solvent-aided process (SAP)¹



Implementing solvents is expected to:

Decrease SOR by up to

30%

Decrease sustaining capital by

10-30%

Increase growth capital by

15-20%

Reduce non-fuel operating costs by up to

20%

¹Solvents: natural gas liquids, such as propane or butane, added to the SAGD process.

Cogeneration

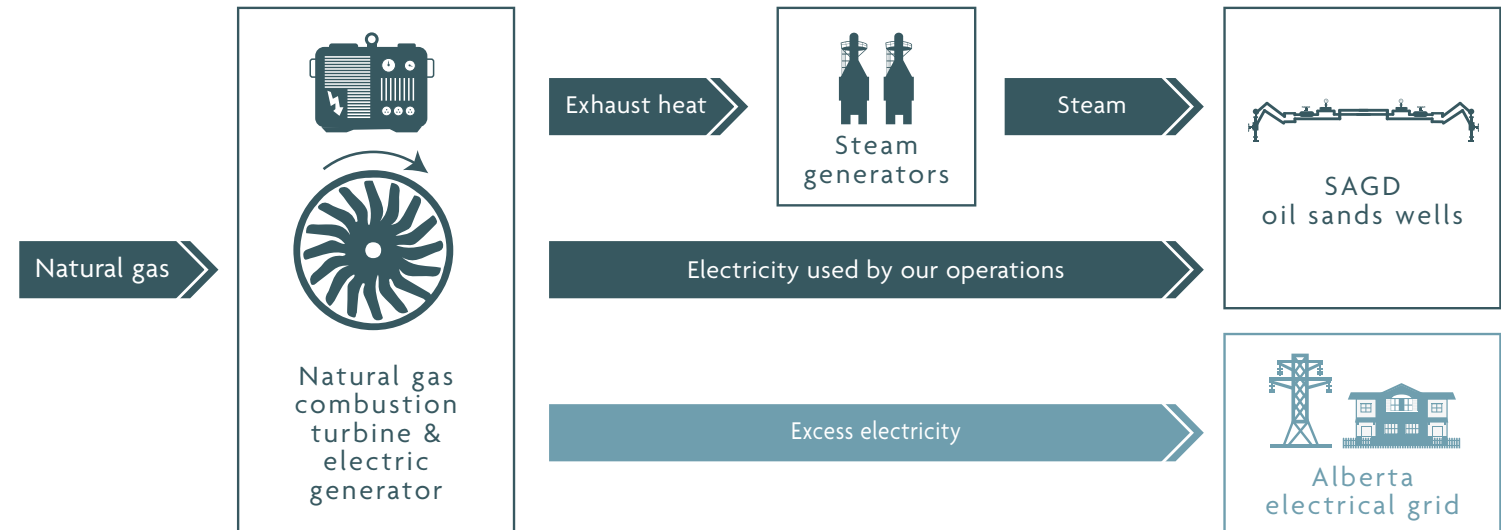
Cenovus's Foster Creek and Christina Lake oil sands facilities have **cogeneration plants** with a combined generating capacity of approximately 200 megawatts (MW). Our cogeneration plants use natural gas to power a combustion turbine that generates electricity to run our operations. We use exhaust heat from the turbines in our steam generators, reducing the amount of natural gas required to turn water into steam for our SAGD production process and thus, decreasing emissions.

In most months, our cogeneration plants produce more electricity than we consume at our oil sands facilities, and we sell the surplus power to Alberta's electrical grid. As coal-fired power currently accounts for 43 percent of Alberta's electricity generation, electricity from our cogeneration plants helps reduce overall GHG emissions in the province.¹

Cogeneration is considered best-in-class for fossil fuel-based power generation. It reduces the GHG emissions intensity of power generation by about 30 percent compared to other natural gas-based power generation and by almost 65 percent compared to coal-based power generation. We will consider the addition of more cogeneration plants to be a potential lever in reducing our GHG emissions intensity and will weigh the benefits of adding incremental cogenerating capacity at our operations against other available levers for emissions reduction.

¹Electricity generation by fuel type (2018)

Oil sands cogeneration²



²Oil sands cogeneration provides approximately 14 percent of provincial energy needs (Source: Alberta Electric System Operator).

Operational optimization

Our oil sands reservoir engineers continue to look for ways to optimize our operations to maximize oil production at the lowest cost and reduce our environmental impact.

Cenovus has among the lowest SORs in the industry, and we're incented to reduce it even further. By decreasing our SOR, we have the potential to reduce our emissions, avoid additional carbon compliance costs, decrease operating costs, reduce our surface footprint, lower our energy use and use less water.

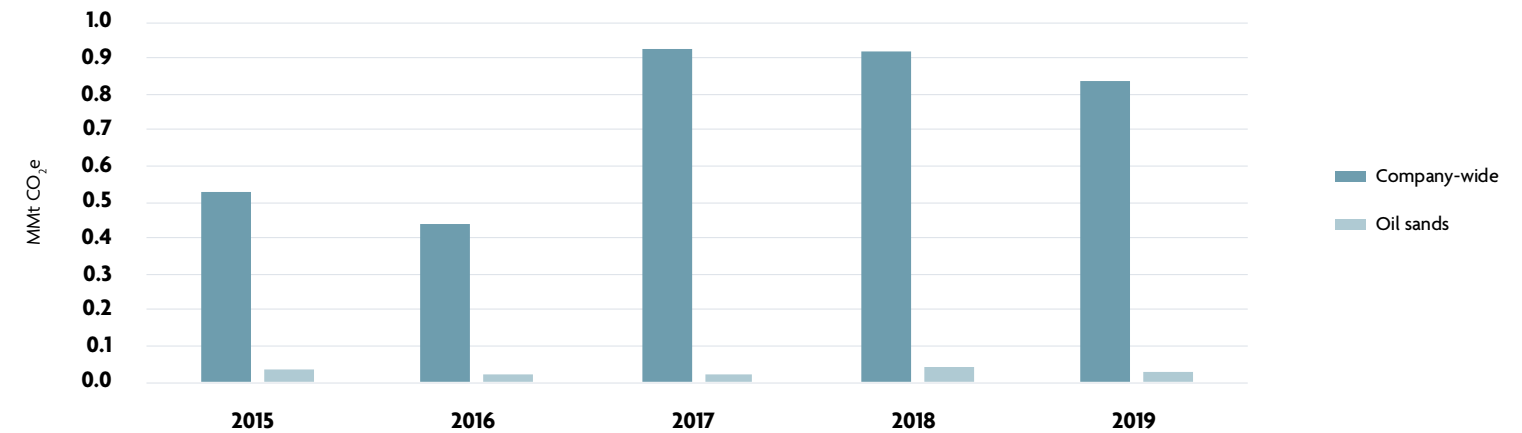
Data analytics

Cenovus is exploring advanced data analytics throughout our operations for continued optimization opportunities. At our facilities, we generate millions of data points every day. By using data analytics and artificial intelligence to harness that data and improve the efficiency of our operations, we have a significant opportunity to drive value creation and potentially improve our environmental performance. We are optimistic that our efforts could eventually contribute to a meaningful reduction in GHG emissions while improving profitability.

Methane reduction

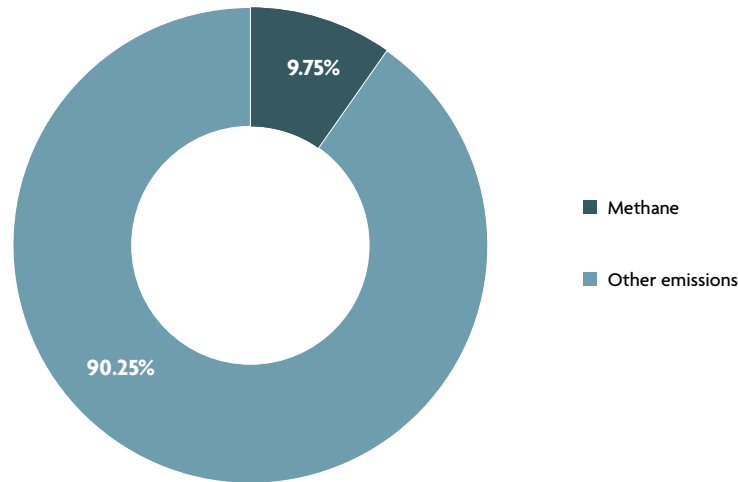
At Cenovus, we have been proactively detecting, storing, monitoring, and managing our methane emissions for many years. Our well-established and robust Fugitive Emissions Management Program enables us to efficiently reduce fugitive emissions from our operations, using consistent and cost-effective leak detection and repair procedures. This program also helps us manage and minimize our impact to the environment, as well as hazards to personnel and facilities. We also developed and currently utilize an inventory collection and management tool and have made enhancements to our production accounting systems to help us identify and report historically unmetered fuel, flare and vented gas. This is important as we assess, develop and execute our methane emissions reduction strategy.

Total methane emissions

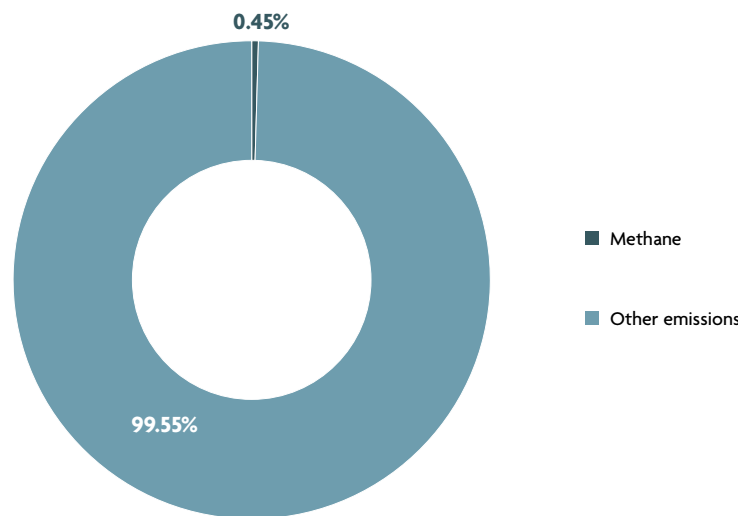


Our overall methane emissions decreased in 2019 as we continue to actively manage and implement reduction and mitigation measures including the identification of non-routine, intermittent venting tanks, and the implementation of vent reduction and mitigation measures.

Emissions from methane company-wide



Emissions from methane oil sands



Pneumatic inventory and instrument conversions

Working in partnership with a sustainability software partner, Cenovus customized an app to build a complete inventory of emission sources within our conventional operations. The inventory collection project was conducted in 2019 and included visiting approximately 3,000 sites and documenting over 20,000 pieces of equipment (pneumatic instruments, pumps, heaters and tanks) with multiple pieces of information required for each.

A key source of methane emissions at our conventional operations is pneumatic instrumentation powered by pressurized natural gas that eventually bleeds or is vented into the atmosphere. Cenovus has been replacing legacy high-bleed pneumatic instrumentation with **state-of-the-art low-bleed instruments**, which vent significantly less natural gas. To date, our equipment conversion program has converted 1,000 instruments, which has reduced methane emissions by approximately 50,000 tonnes of carbon dioxide equivalent (t CO₂e).

We are planning to implement this change at all remaining well sites within our conventional operating area.

Reducing air pollutants

We monitor ambient air quality at our operations to ensure that sulphur dioxide (SO₂), hydrogen sulphide (H₂S) and nitrogen oxides (NO_x) concentrations remain within acceptable levels. To reduce air pollutants such as SO₂ and NO_x, as well as GHG emissions such as methane, we invest in technologies that help lower energy consumption in our day-to-day operations and processes.

These technologies and efforts also ensure we meet, and in some cases exceed, existing air quality regulations and other requirements related to our project approvals.

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 to reduce NO_x and GHG emissions.
- Utilizing solar or grid-powered electrical chemical injection pumps rather than natural gas-driven pneumatic pumps.
- Converting process instruments to use compressed air or electricity rather than natural gas.
- Installing technology to capture compressor packing vent gas for use as onsite fuel.
- Implementing our Fugitive Emissions Management Program to proactively assess and stop gas leaks within our facilities. When leaks are found, they are documented and promptly repaired.
- Installing sulphur scavenger units at each of our oil sands facilities to comply with sulphur emission limits under Alberta's Environmental Protection and Enhancement Act.
- Using steam generator flue gas recirculation technology as part of the standard facility design at Christina Lake to significantly reduce NO_x emissions.
- Using the infrastructure at our sites and our extensive network of pipelines to separate solution gas from produced oil and water at the well site 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 AER Directive 060: Upstream Petroleum Industry Flaring, Incinerating and Venting.
- Implementing and utilizing precise tank vent monitoring infrastructure to detect and accurately calculate emissions during unplanned events.
- Improving our operational efficiencies to better utilize existing equipment through facility optimization, consolidation and shutdowns.

LAND & WILDLIFE

Our activities on the land 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.

By proactively managing our approach to land and wildlife, we are not only reducing our impact on the environment, but we are mitigating our exposure to potential regulatory risk and improving our ability to maintain industry leading operating costs. This is important to our business and to our stakeholders in the areas where we operate.

Land & wildlife 2030 targets

Our well site reclamation target is part of our proactive approach to managing our existing reclamation obligations. The 1,500 wells represent approximately 75 percent of our existing well sites that are no longer in use and are set for reclamation. As part of this commitment, we've joined the AER's Area-Based Closure program that sets an annual spending target for each company and allows us to work with industry peers to reduce costs and increase efficiency.

The caribou habitat target is an extension of the voluntary \$32 million, 10-year Caribou Habitat Restoration Project we launched in 2016 – the largest of its kind in the world. Through this target, we have now committed to spend a total of \$40 million between 2016 and 2030 to restore more land within caribou ranges than is disturbed by Cenovus's activity. We expect to restore up to 4,000 kilometres of linear land disturbances (old seismic lines, roads and pipeline rights of way) and plant up to five million trees.

LAND & WILDLIFE 2030 TARGETS



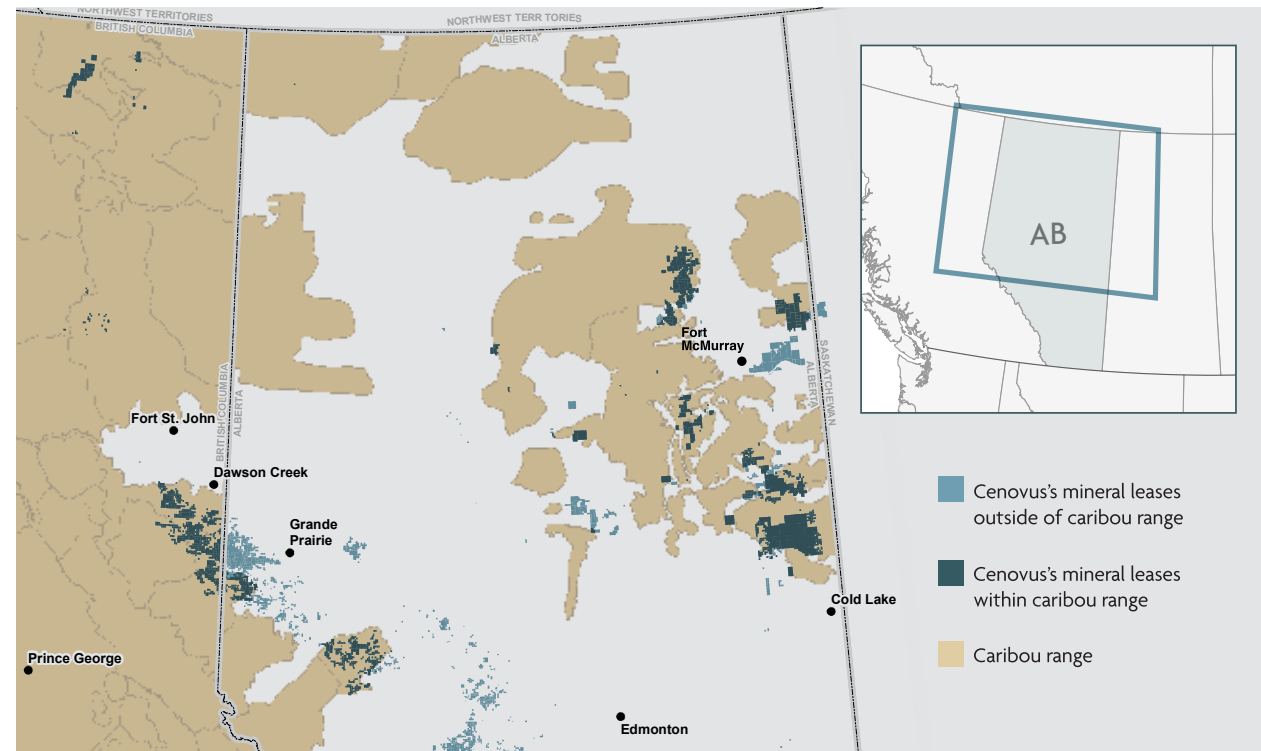
Reclaim **1,500** decommissioned well sites

Complete **\$40 million** of caribou habitat restoration work

Our 2019 performance

Cenovus's operations and assets are spread across Alberta and the eastern edge of British Columbia. As indicated in the map below, a large proportion of our assets are located within caribou habitat.

Map of caribou habitat range

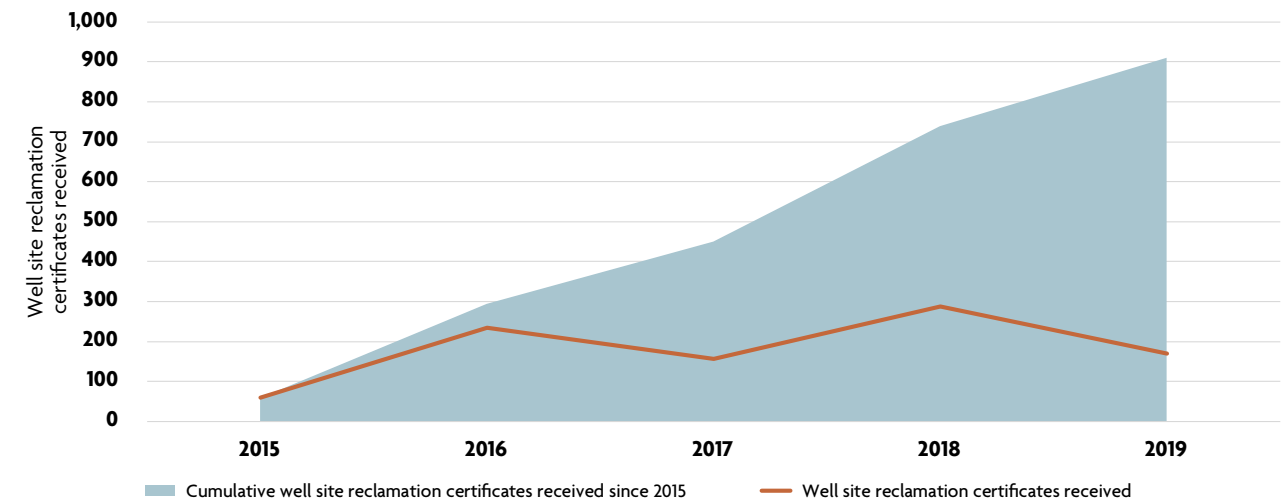


In 2019, we reached a significant milestone – one million trees planted as part of the **Cenovus Caribou Habitat Restoration Project**.

As part of our 2030 caribou habitat restoration target, we've also committed to restoring more caribou habitat within our operating areas than we disturb through our activities. We will measure our progress by tracking our restoration ratio, which compares our completed and active restoration activity against our total leased land within caribou habitat areas, measured in hectares. This metric incents us to not only restore the forest but also keep our forest disturbances as small as possible for the protection of land and wildlife, and specifically caribou, which are listed as a threatened species by the federal government.

Our 2019 restoration ratio was 0.34 hectares of completed and active restoration activity for every hectare of land leased within caribou range. Our goal is to achieve a ratio of more than one hectare of completed and active restoration activity for every hectare of leased land by 2030.

Well site reclamation since 2015



In 2019, we received 171 well site reclamation certificates. The number of certificates we receive fluctuates each year depending on our existing reclamation inventory and the timing for completing reclamation projects. The average timeline for a reclamation certificate is five to seven years.

Project development process

All our projects go through an environmental assessment prior to being approved. As part of the process, we're required to assess potential ecological and biodiversity impacts of our operations on vegetation, soils, wetlands, aquatic habitats and wildlife and develop plans to mitigate them throughout the lifecycle of our projects. We also work with local stakeholders and government regulators during the project planning phase to develop reclamation plans.

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, reduce the length of time required for reclamation and manage our long-term liability appropriately.

In both Alberta and British Columbia, our obligations are mandated by the respective provincial regulators. Once we have recovered as much oil from our reservoirs as is economically feasible, we restore the land we have used to a state that is comparable to the undisturbed land around it. All the land we use will ultimately be reclaimed, including access roads, well pads and seismic lines.

Throughout the reclamation process, soil, surface water and groundwater are tested to ensure the reclaimed land is free of contamination and does not pose a risk to the environment. Reclamation certificates can only be issued once long-term monitoring shows that the reclaimed land meets the standards outlined by the government.

Proactive abandonment and reclamation

Under current regulations, there are different timeline requirements for addressing liabilities. Some companies choose to delay the associated costs, but Cenovus takes a different approach. Instead of waiting until reclamation obligations come due, we actively manage our portfolio of decommissioned sites to ensure they are progressing towards reclamation closure, which reduces our liability. By taking a portfolio view, we manage risks, gain efficiency and reduce costs.

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 trips required to a site. Targeting the completion of abandonment and reclamation activities together results in less traffic and less impact on stakeholders which decreases the safety risk, has potentially fewer impacts on local wildlife, significantly reduces costs and maximizes the number of sites we can reclaim in a given time period.

While timelines for completing reclamation work are not regulated, we are aware there are government policy discussions taking place that may change current regulations.

Wildlife mitigation and monitoring plans

As part of the regulatory approval process in the oil sands, 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. We also use specialized geomatics software to help us identify and map sensitive areas, so we can minimize impacts to biodiversity and make more informed mitigation recommendations. And we've installed remote wildlife cameras that provide us with useful data to help us meet the wildlife monitoring and protection conditions in our project approvals.

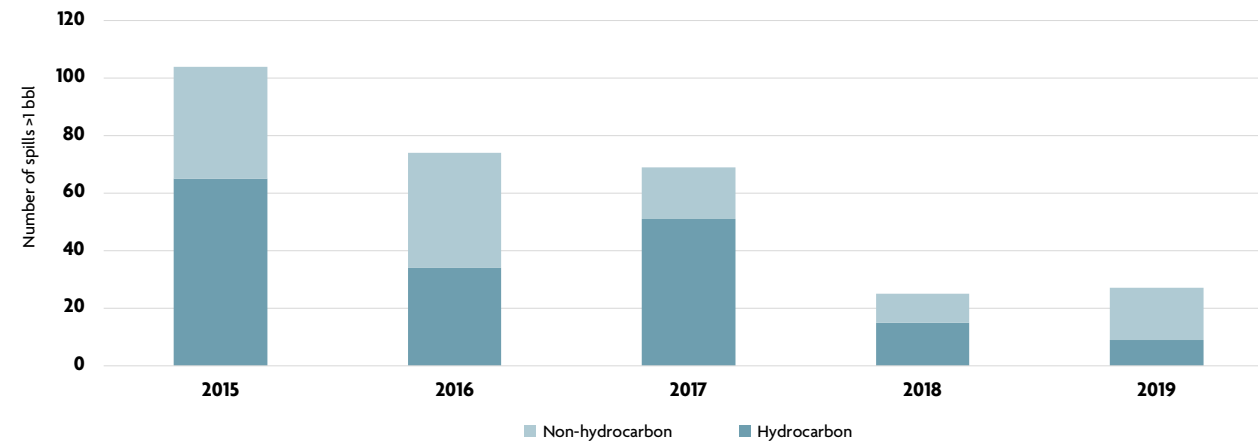


Photo of a borrow pit, which is an area where we borrow the clay from the pit to make our roads and well pads. After we have removed the fill materials, we help create a landscape with plant vegetation similar to what is found in the area.

SPILLS

While our goal is to have zero 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, staff and business. Effectively managing spills not only decreases our impact on the environment but reduces our costs related to cleanup. Spills can occur while transferring materials between vessels, while loading and unloading, as a result of overfilling containers, from equipment failure or from motor vehicle accidents.

Company-wide reportable spills >1 bbl



In 2019, we achieved a significant reduction in hydrocarbon-related spills while an increase in non-hydrocarbon spills resulted in a slightly higher total number of spills. Our increase in non-hydrocarbon releases was associated with our oil sands facilities, as these facilities process both hydrocarbons and water as part of the SAGD production process. Cenovus continues to focus on reducing all spills at our facilities.

Spill management

Cenovus works to proactively reduce 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 spill risk is highest, based on the type of equipment and fluid involved. For more about process safety, see the Safety section of this report.
- Tracking:** We track spills across our operations and report key trends to management and operations teams to help identify and mitigate the cause of spills. We continually work to improve spill reporting and analysis where possible.
- Awareness:** Before a job begins, we identify potential spill hazards. We also work to raise spill prevention awareness among employees and contractors to avoid 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 impact on the environment. The regulations under which we operate 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).
- Action:** When a spill is detected, Cenovus responds immediately, implementing containment and recovery plans while safeguarding the environment, the public and our staff.

Real-time dashboard

Using environmental health and safety data, we developed an automated dashboard to show real-time performance information. Groups within the company can now examine spill data easily and find insights to improve prevention programs. The dashboard aggregates data sources from all over the company and provides updates in real time to identify early trends and develop mitigations, including education, procedure alteration or equipment review, to deal with any issues or concerns.



WATER STEWARDSHIP

Water is key to our operations. How we handle it and the way that impacts the environment is important to us and our stakeholders in the areas where we operate.

We use water to generate steam for the SAGD process at our oil sands projects, to drill and complete wells, to maintain access roads at our sites and to run our camps. We're always looking for ways to be more efficient with the water we use and to reduce our overall consumption.

We consider many options to reduce non-saline water usage in our operations, including **developing new technologies and processes** to handle water, finding more ways to reduce, recycle and reuse water, and identifying opportunities to use more saline water sources. We also collaborate on technology development and water management best practices through COSIA, CAPP and the Petroleum Technology Alliance of Canada (PTAC) Water Innovation Planning Committee.

Water stewardship 2030 target

We are taking a leading role in managing fresh water intensity (FWI) by setting a target that addresses water use across our oil sands and conventional operations. This exceeds the 2022 target set by COSIA for in situ oil sands producers to achieve an FWI of 0.18. Our non-saline water use is well below the industry average, and we're continually looking for ways to further reduce the amount of water we use.

WATER STEWARDSHIP 2030 TARGET¹



Achieve a fresh water intensity of a maximum of

0.1 barrel
per barrel of oil equivalent

¹In agreement with the Alberta Ministerial Regulations and other Alberta regulations/policies, water with less than 4,000 parts per million of total dissolved solids (TDS) is referred to as non-saline. While considered fresh, the non-saline water we use is not acceptable for consumption or agricultural use.

The types of water we use in our operations include:

Produced water: Most 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. It has a high salt and mineral content that makes it unacceptable for consumption or agricultural use.

Non-saline groundwater: We use a limited amount of fresh, or, as defined by Alberta regulations, non-saline water (TDS 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 non-consumptive services, such as fire suppression at our facilities.

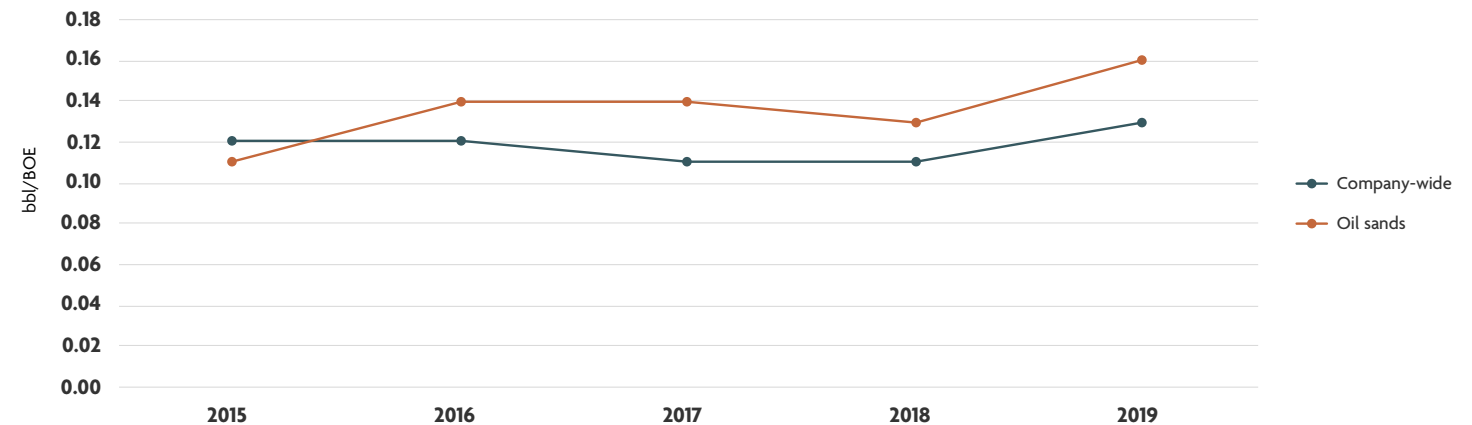
Non-saline surface water: Only a small amount of the water we use across our operations comes from rivers, lakes or streams. We use this for drilling wells, construction, road maintenance and building ice roads. At our conventional operations, surface water is also used for hydraulic fracturing. We do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

Our 2019 water performance

In 2019, our overall non-saline water use increased, along with our FWI. This was largely due to the same factors that led to a temporary increase in our GHG emissions intensity in 2019. In complying with the mandatory government-ordered curtailment in Alberta, our teams decided to maintain normal steam injection levels to protect the integrity of our oil sands reservoirs and to continue to heat and mobilize oil and store it in the ground for production at a later date. As a result, while oil production declined, our water use did not decline significantly, which resulted in a temporary increase in our water use intensity (water use per barrel of production). Lower oil production also resulted in less produced water available for recycling, which required us to draw more non-saline makeup water from underground aquifers to make steam. In addition, water volumes increased to support the start-up of our new Christina Lake Phase G expansion.

We anticipate that our FWI will decrease when production returns to more typical levels and we remain committed to our long-term plan to reduce our water use, improve efficiencies and achieve our 2030 FWI target.

Fresh water intensity



MANAGING OUR WATER USE

Oil sands

We continue to develop and invest in technologies to reduce our SOR, or the amount of steam we need to produce a barrel of oil at our oil sands operations. Two key technologies are electric submersible pumps (ESPs) and **SAP**.

ESPs allow us to effectively control how we produce oil from the reservoir. This helps us maintain maximum contact between the steam and oil in the reservoir and contributes to improved production rates. ESPs also allow us to keep pressure and temperature in the reservoir low. Together, improved production rates and lower temperatures help reduce heat loss from the reservoir which reduces our overall SOR.

Conventional

In our conventional 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.

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 non-saline 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

FracFocus

The British Columbia Oil and Gas Commission, the AER and other regulatory bodies manage **Fracfocus.ca**, a website dedicated to providing objective information on hydraulic fracturing, fracturing fluids, groundwater and surface water protection and related oil and gas activities in Canada. Cenovus discloses the hydraulic fracturing chemicals used through this website.

Monitoring and collaboration

We comply with all regulatory requirements for construction, monitoring and reporting. Teams across the company monitor our water use and potential impact on water quality. In addition, we actively engage with local communities, including Indigenous communities, on issues such as water use and potential impacts, through the regulatory process. We also work with other water users to better understand the long-term availability of water resources and to monitor ground and surface water near our operations.

Quick facts

On average, over 85 percent of the water we use to make steam at our Foster Creek and Christina Lake oil sands projects is water that's been recycled from our operations.





INDIGENOUS & COMMUNITY ENGAGEMENT

We have made a commitment to treat all communities near our operations fairly and with respect. This commitment begins with our Code of Business Conduct & Ethics as well as our Sustainability Policy. Through these, we seek to balance the rights and interests of the communities where we conduct business, by recognizing that every community is different.

We aim to create opportunities that enable long-term economic and social value for residents by working with each group to better understand their needs. Whenever possible, we hire locally and use businesses and services from the areas around our operations. We work with charitable and non-profit

organizations to find ways to create community programs, provide in-kind and financial support, and host and sponsor events that are meaningful to our communities. We also provide opportunities for our staff and their families to get involved through giving and volunteering activities.

INDIGENOUS ENGAGEMENT 2030 TARGET



Achieve a minimum

\$1.5 billion

of additional spending with Indigenous businesses

100% of staff will have completed Indigenous awareness training by the end of 2020 and will update their training biennially¹

¹ An exception to the all staff target is made for staff on leave.

Indigenous business spend 2030 target

Providing economic opportunities is an important part of reconciliation with Indigenous peoples. Our target of spending an additional \$1.5 billion with Indigenous companies by 2030 reflects our long-standing commitment to supporting economic reconciliation through business partnerships.

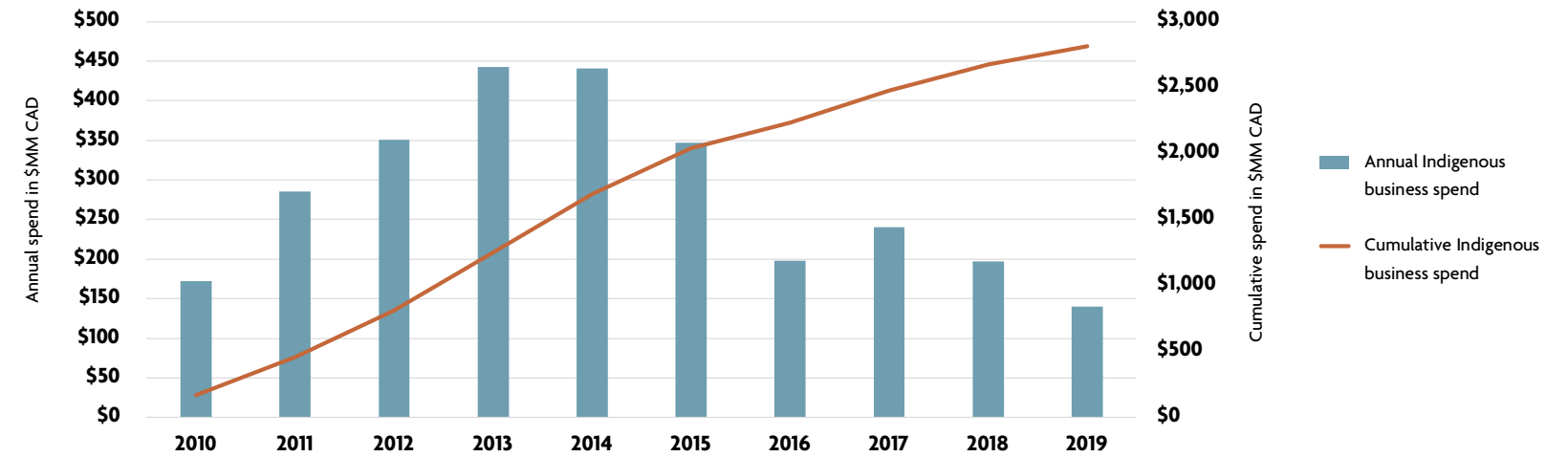
In 2019, Cenovus spent \$140 million on goods and services provided by local Indigenous companies. Since Cenovus's inception in December 2009, we have spent more than \$2.8 billion doing business with Indigenous companies.

The majority of our spend with Indigenous businesses over the last decade occurred during a period of higher average oil prices and annual capital spending. In response to lower oil prices and market access challenges, we've focused on reducing overall company costs and have significantly lowered our total capital spending in recent years. The lower total business spend with Indigenous companies reflects a decreased business spend overall at Cenovus and not a reduction in our focus on working with local Indigenous business partners.

Indigenous awareness training 2020 target

In addition to our target of having all staff complete online Indigenous awareness training by the end of 2020, and every two years after that, we will provide more extensive Indigenous awareness training to staff whose positions or responsibilities require them to have a deeper understanding of Indigenous culture. Our commitment to enhanced Indigenous awareness training aligns with the calls to action contained within [Canada's Truth and Reconciliation report](#).

Indigenous business spend



Our engagement approach

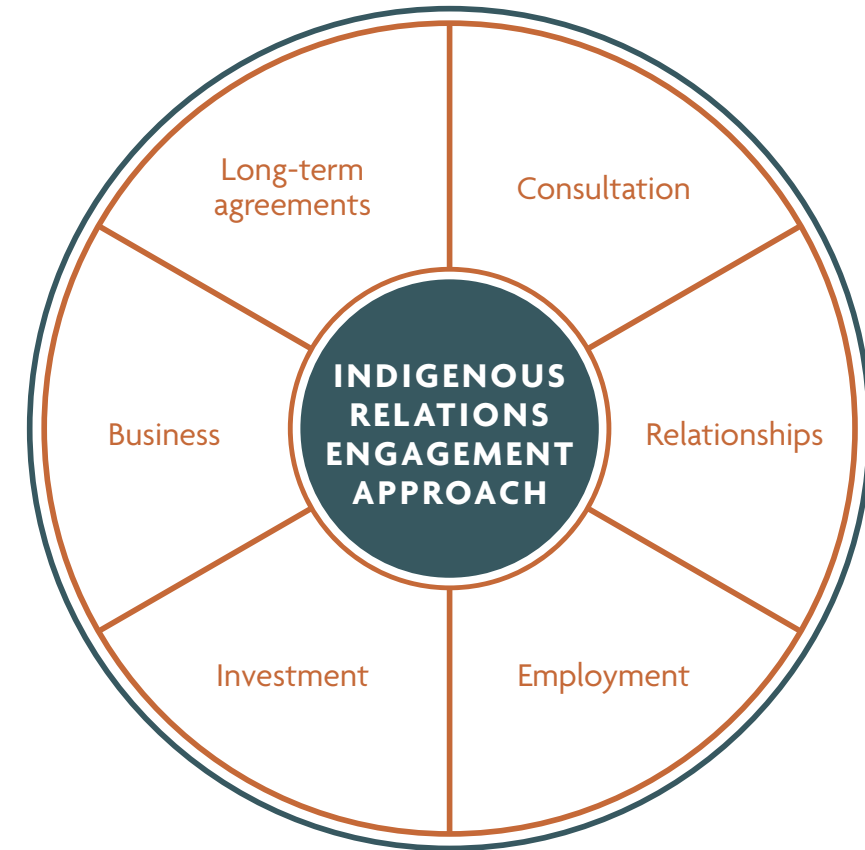
Our approach to working with Indigenous communities focuses on six key areas:

- **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 community.
- **Business:** Whenever possible, we include local Indigenous businesses in our supply chain.
- **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.

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

In May 2016, the Government of Canada joined Alberta in announcing that it is adopting **UNDRIP**. CAPP has expressed its support for the adoption of UNDRIP in a way that is consistent with the Constitution and Canadian law, and Cenovus is fully aligned with that position. 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 also believe that meaningful consultation is at the heart of UNDRIP. By engaging in meaningful consultation, industry and Indigenous communities can better understand potential issues related to development and can work together to mitigate those issues and identify opportunities for Indigenous participation in projects when possible.

Indigenous relations engagement approach





Consulting with Indigenous communities

Many of our operations are located on or near the traditional lands of Indigenous peoples. Alberta has rigorous standards for formal consultation with Indigenous communities potentially impacted by oil and gas development. At the beginning of the regulatory process, Cenovus provides the government with detailed information regarding projects for which we are seeking approval. After conducting an assessment, the government advises whether consultation is required, and if so, provides us with a list of Indigenous communities that need to be consulted. While some of our activities don't always require us to formally consult with Indigenous communities, we often voluntarily bring items forward for discussion as part of our ongoing engagement with them.

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. In addition to formal consultation, we meet with community leadership and engagement bodies, support investment initiatives that contribute to community wellbeing, and coordinate meetings that guide the implementation of our long-term agreements.

Indigenous Inclusion Advisory Committee

Cenovus's Indigenous Inclusion Advisory Committee, composed of senior leaders from across the company, provides consistent, company-wide direction on Indigenous inclusion initiatives.

Guiding principles on Indigenous inclusion:

- Indigenous peoples impacted by our activities should benefit through contracting opportunities related to our projects
- Cenovus is committed to building long-term capacity with local Indigenous businesses to ensure they are safe, reliable, and competitive

- Indigenous peoples impacted by our activities should benefit from employment opportunities with our company and our contractors
- Cenovus is committed to ensuring that our staff understand the history and culture of Indigenous peoples

In 2019, a few of the key accomplishments of the Committee were:

- Developed a 10-year Indigenous business spend target in support of our ESG objectives
- Expanded the Committee's focus to include a mandate to strengthen Indigenous employment and inclusion at Cenovus
- Guided the creation of a two-year secondment of a staff member from Cenovus operations to support Indigenous business development

Indigenous Housing program

Our **Indigenous Housing program**, the largest community investment initiative in Cenovus's history, is aimed at addressing one of the most pressing issues facing Indigenous communities in Canada – the lack of adequate housing that is forcing many families to live in overcrowded and unsafe conditions.

The program, announced in January 2020, commits \$50 million spread over the next five years to build much-needed new homes in six First Nations and Métis communities close to our oil sands operations in northern Alberta. Cenovus will evaluate the initiative at the end of the program and may extend it for an additional five years. We see this initiative as an important way to contribute to reconciliation with Indigenous peoples.

We also plan to work with the communities to develop training programs, so that local residents can participate in the building and maintenance of the new homes.

The communities that are part of this program are:

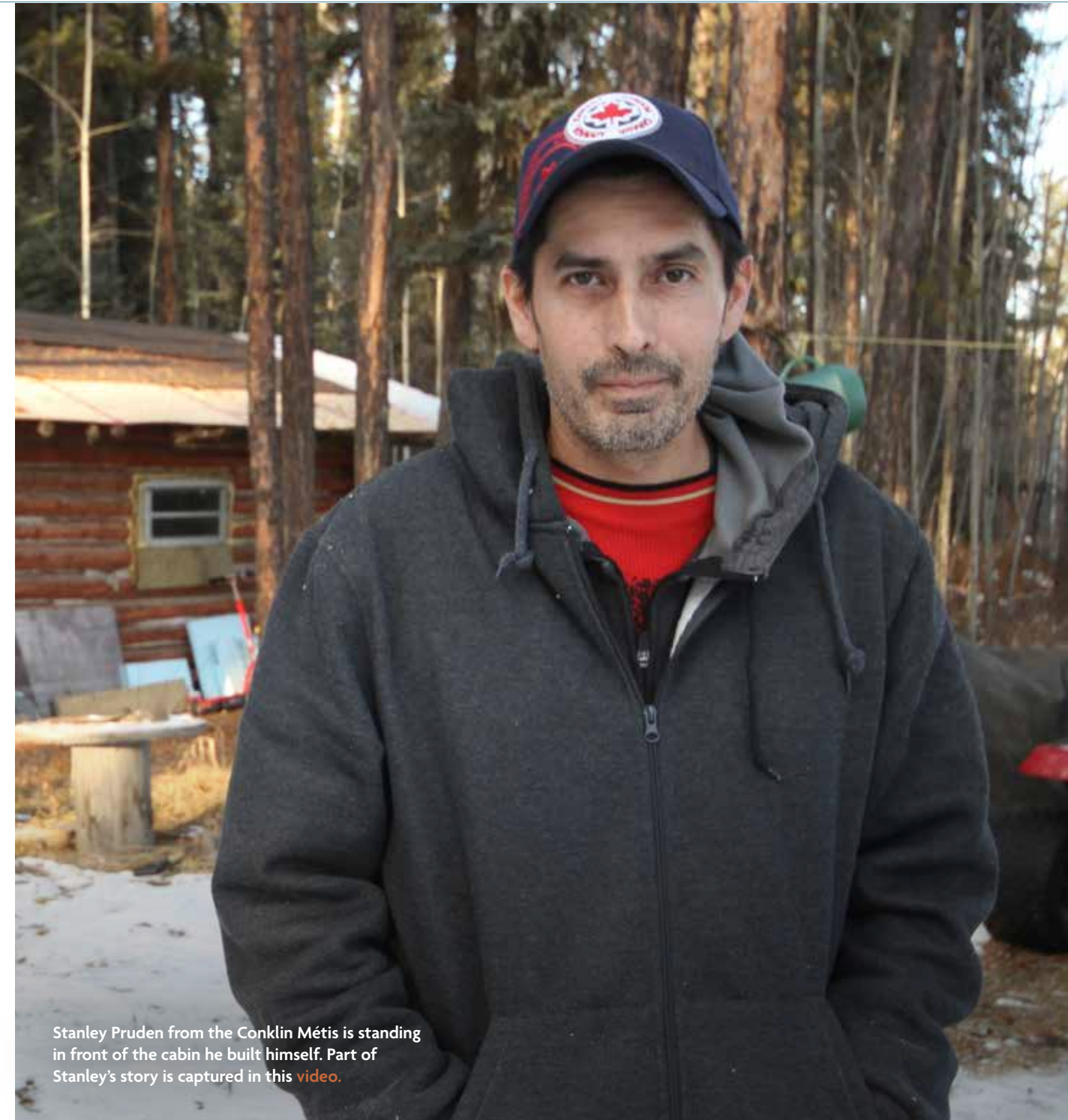
- Beaver Lake Cree Nation
- Chard Métis (Local 218)
- Chipewyan Prairie Dene First Nation
- Cold Lake First Nations
- Conklin Métis (Local 193)
- Heart Lake First Nation

Supporting Indigenous youth

At Cenovus, we believe in supporting education and training for youth in Indigenous communities where we operate.

We work with Indspire, a national non-profit organization that invests in the education of Indigenous peoples, to offer scholarships for Indigenous students who are pursuing a full-time degree, diploma or certified trade program. In 2019, Cenovus awarded 40 scholarships valued at \$3,500 each to Indigenous students pursuing a full-time degree, diploma or certified trade. The recipients are great examples of Indigenous youth who are determined to reach their goals and care about giving back to their communities. Since 2012, Cenovus has awarded over 190 students a total of \$660,500.

Further, we invest in a number of **literacy-focused initiatives** for Indigenous youth through our support of the Northland School Division No. 61, Frontier College and the Tribal Chiefs Education Foundation.



Stanley Pruden from the Conklin Métis is standing in front of the cabin he built himself. Part of Stanley's story is captured in [this video](#).

COMMUNITY INVESTMENT

Our **community investment program** helps us build meaningful relationships with the communities where we live and work. 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

- Improve access to education and support literacy activities
- Encourage healthy lifestyles, including strong mental health
- Build skills and provide exposure to new experiences

Strong families, safe, sustainable communities

- Increase access to social and emergency services, including basic needs
- Support Indigenous and community traditions
- Foster environmental education, conservation and innovation

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

Employee giving and volunteering

By providing volunteering and giving opportunities, our community investment program aims to create a culture of engagement and a sense of pride among our employees while providing community organizations with much-needed resources.

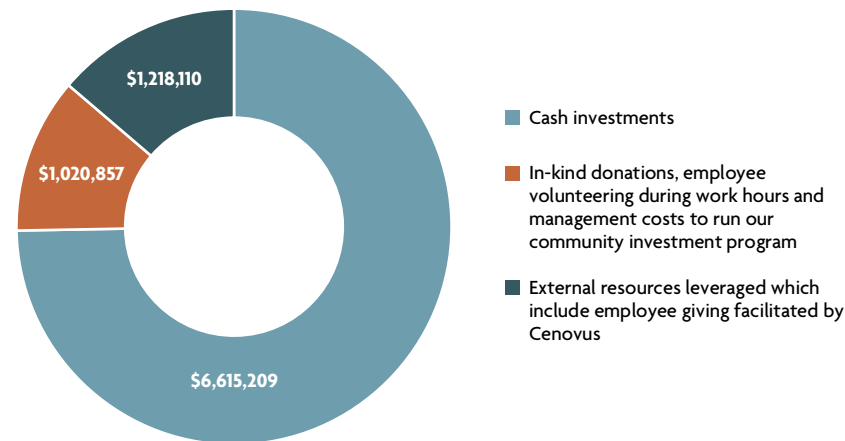
We coordinate numerous opportunities for staff members and their families to volunteer with organizations that Cenovus supports, and provide grants to charitable organizations where our employees and their immediate family members choose to volunteer.

Through our Giving Program, employees can double the impact of their charitable donations to organizations that are meaningful to them through matching donations from Cenovus of up to \$25,000 per employee per year.

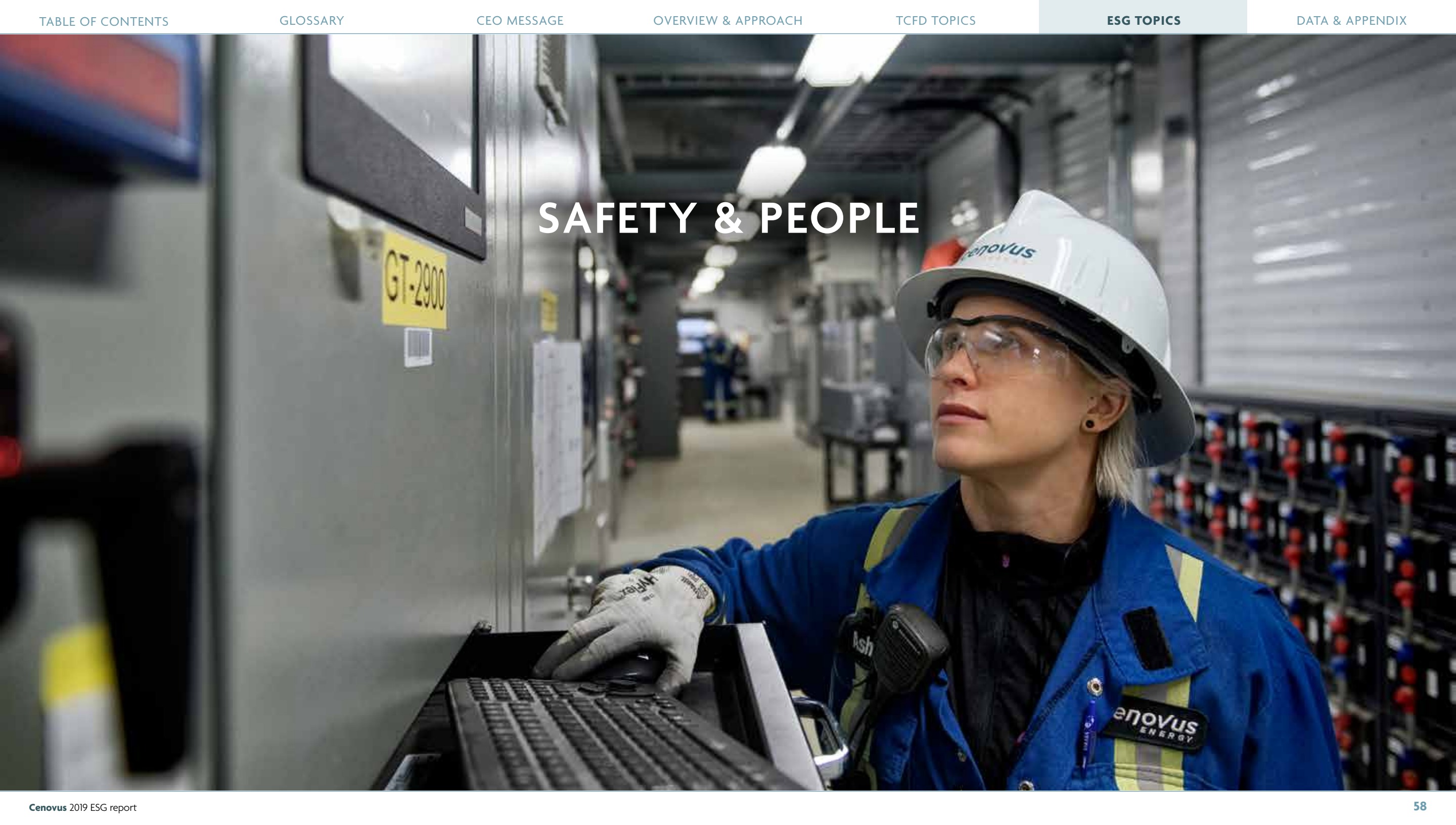
Our performance

In 2019, our total investment contribution to the community was \$8,854,176, which includes cash investments, in-kind donations, employee volunteering during work hours, management costs to facilitate the program and external resources leveraged.

Community investment for 2019



SAFETY & PEOPLE





SAFETY

Safety is our most important value at Cenovus. It is reinforced at all levels of the organization and integrated into our entire business culture. Nothing is more important than the safety of our staff, contractors and the people in the communities where we operate.

OUR MANAGEMENT APPROACH

Our approach to health and safety begins with our Code of Business Conduct & Ethics and Sustainability Policy. These policies commit our Board, employees, contractors and suppliers who conduct activities for or on behalf of Cenovus, to meet all legal requirements and uphold industry best practices and our Safety Commitments.

SAFETY COMMITMENTS

- 1 Our work is never so urgent or important that we cannot take time to do it safely
- 2 All injuries are preventable
- 3 Everyone is obligated to refuse unsafe work
- 4 Everyone is obligated to raise concerns about the hazards seen
- 5 All levels of supervision are accountable for safety performance
- 6 Employee and contractor commitment is essential to safety performance
- 7 Excellence in safety leads to excellence in business
- 8 Safety attitude off the job is as important as on the job

OUR 2019 SAFETY PERFORMANCE

In 2019, we continued to improve our health and safety performance through our ongoing focus on risk management and process safety.

Our people safety performance continued to be strong, and our 2019 total recordable incident rate (TRIR) was the second lowest in Cenovus's history, at 0.3. However, this means that in 2019, 30 people did not go home without experiencing a safety incident, and we recognize we need to do better.

Our work on process safety has continued to show improvement. In 2019, we had one Tier 1 incident and seven Tier 2 incidents, which is an improvement over our 2018 performance.

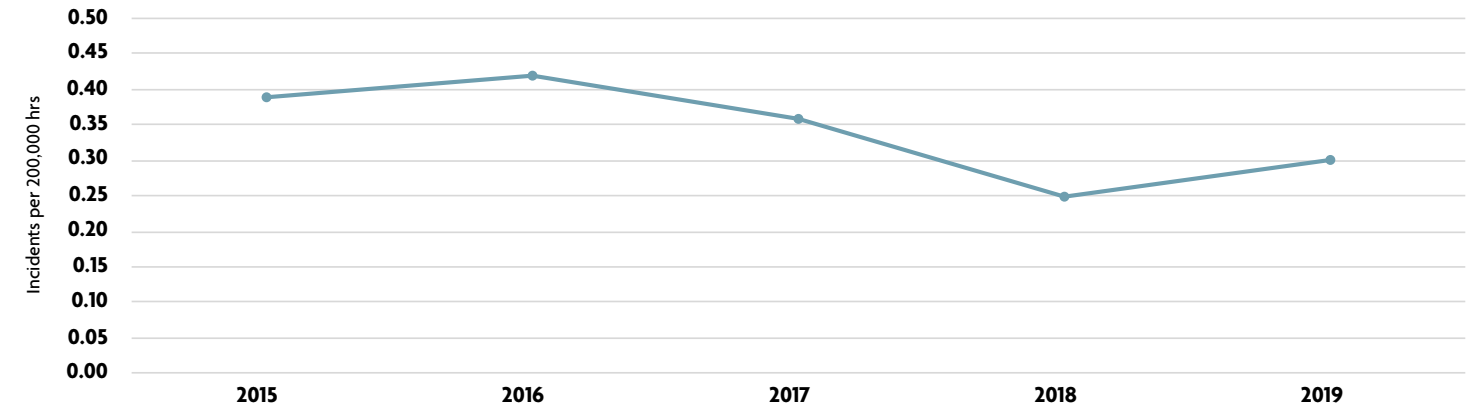
In 2019, no workers were injured as a result of process safety events, and there were no process safety fires or explosions. We experienced hydrocarbon releases that were classed as Tier 1 or Tier 2 events and investigated with a higher degree of rigour and review. Our investigative activities follow requirements to determine causal factors as well as direct causes to ensure we identify risks and improve our operations.

Process safety improvement

In 2019, at one of our newer well installations, a device used to reduce pressure on a line failed and gas was released, resulting in a Tier 2 PSE classification. A thorough investigation enabled us to prevent similar failures and ensured our workforce has confidence in our operations.

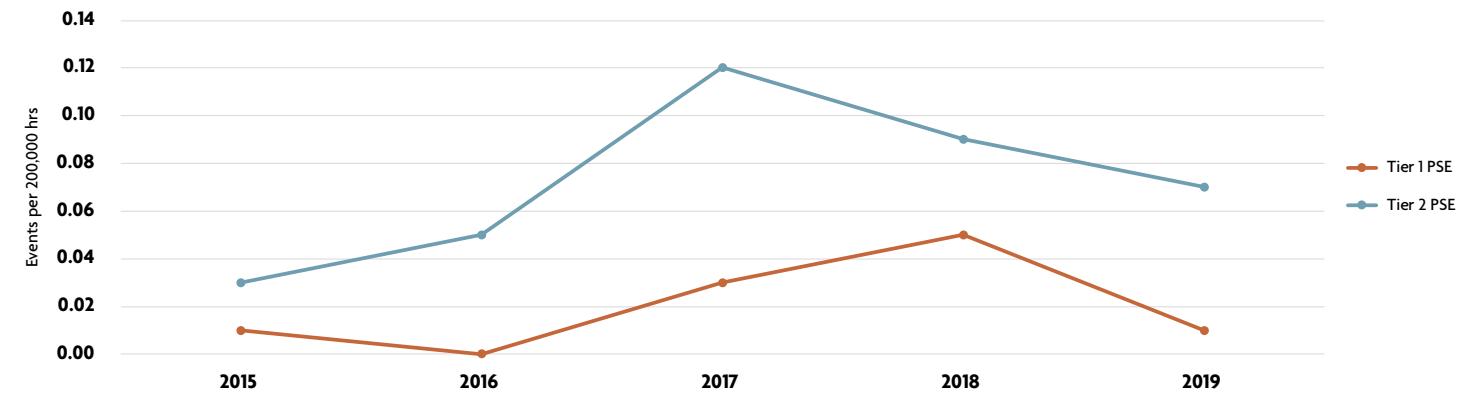
Engineers worked with the operations team to identify any like devices, evaluate similarity of service, assess risk of failure and take action across our operations to make changes where needed. Management fully committed to authorize and fund the changes with the express purpose of preventing a potential PSE.

Total recordable incident rate¹



¹TRIR is calculated by the number of recordable incidents per 200,000 hours worked.

Process safety event rate



Year	Tier 1 PSE ²	Tier 2 PSE
2019	1	7
2018	6	10

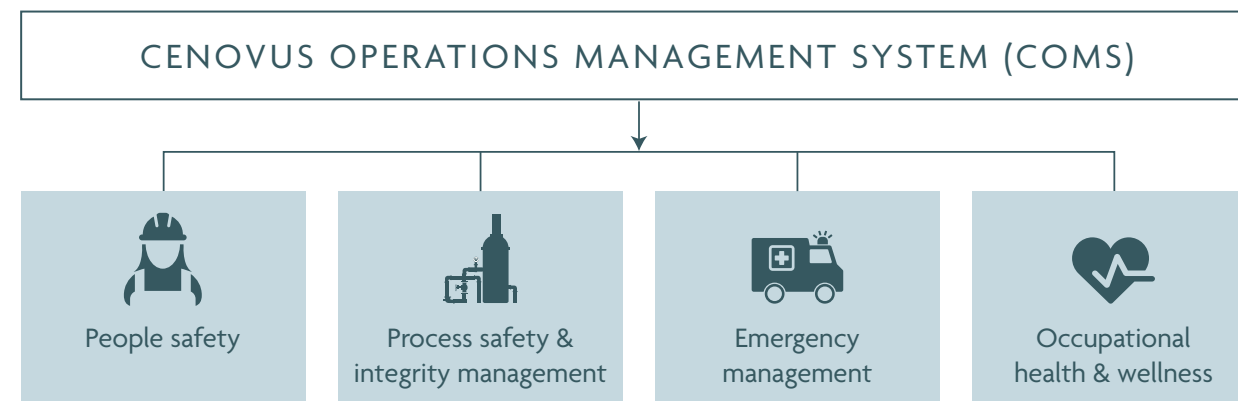
² See definition in the [Glossary](#).



CULTURE OF SAFETY

Cenovus has developed a culture of safety that is multipronged in its approach and interacts with every aspect of the company. It starts with COMS to deliver safe and reliable operations at Cenovus.

How COMS applies to health and safety



COMS is based on seven elements that provide guidance and direction for many of our company processes. To learn more about how COMS applies to health and safety, please see the [Appendix](#).

PEOPLE SAFETY

Health & Safety Senior Leadership Steering Committee

Our Health & Safety Senior Leadership Steering Committee is made up of Cenovus Leadership Team members, health and safety leaders, upstream and downstream leaders and technical subject matter experts. Together, the group helps shape our health and safety priorities and identify key initiatives to enhance our safety culture and improve our performance.

Participation and leadership in health and safety also includes active engagement from our Board and Cenovus Leadership Team. Safety is routinely discussed by the Board's SERR Committee.

Employee health and safety

Advancing the safety culture of our frontline workers

We have seen significant improvement in our personal and process safety performance over the last five years to best-in-class levels. To continue this momentum, leadership chose to make additional improvements to our safety culture. We know that mature safety cultures demonstrate enhanced leadership capabilities, an empowered workforce, integration of the human element into project design and a collaborative environment of high trust and transparency. We are committed to growing our capacity in these areas to make Cenovus a better company and to achieve our goal of getting everyone home safely every day.

To establish a baseline, Cenovus completed an independent safety culture survey of the entire organization in late 2018. The results indicated significant opportunity for improvement, so Cenovus formed a dedicated internal team led by a vice-president, focused solely on strengthening our safety culture. In early 2019, we implemented a pilot program at our Christina Lake and Foster Creek facilities in which frontline workers reviewed the survey results and worked over a period of several months to identify further improvements within their work areas.

At its core, this is an empowerment exercise that trains staff how to identify and articulate improvements and how to address these recommendations with leadership. While the project is still at an early stage, the results are positive and demonstrate how grassroots efforts can advance safety culture throughout the organization. Identified priorities for 2020 include continuing to build competency of staff at all levels to recognize and manage the risks associated with their work.

Joint Work Site Health & Safety Committees (JWSHSC)

In 2019, we further formalized our JWSHSCs to reflect changes to the Occupational Health & Safety Act (Alberta) made the previous year. We now have two co-chairs, one representing workers and one representing management, in all our committees, and a member of each committee is involved in significant incident investigations.

These groups work together to identify and solve health and safety concerns and provide support for these three basic workers' rights:

- Right to know
- Right to participate
- Right to refuse dangerous work

To promote and advance our safety culture, we held a safety summit in November 2019 where the JWSHSCs from across the organization came together to share knowledge and ideas on how to more effectively engage and improve our overall safety performance. The committees have now streamlined their operational procedures to use common templates and software and aligned their meeting frequency to encourage collaboration throughout Cenovus.

Life-saving rules

Cenovus follows the life-saving rules recommended by Energy Safety Canada, alongside many of our industry peers. The rules are designed to prevent injuries and significant incidents at our operations and across our industry. See the [10 life-saving rules](#).



Contractor safety management

The Contractor Safety Management Process defines the processes, systems and tools used to manage onsite contractors' safety performance at Cenovus. We ensure we have consistent tools and processes in place, and that we're qualifying, selecting, managing and verifying our onsite contractors in a way that minimizes risk to Cenovus, our human resources, physical assets and the communities in which we work. 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.

We use the ISNetworld database to access information about contractors, which helps ensure base compliance to health and safety and environmental requirements. The database also allows us to provide transparent and timely updates about health and safety requirements to all contractors. 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.

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.

High hazard assessment

In 2019, we introduced a High Hazard Work Activity Assessment when onboarding new contractors and suppliers. The assessment triggers health and safety program reviews when high hazard work is to be conducted. High hazard activity is linked to the **10 life-saving rules**.

Recognition

We celebrate contractors who have consistently demonstrated their commitment to health and safety with the annual Cenovus Health & Safety Stewardship Awards. In 2019, we presented 10 contractors from across our operations with this award.





PROCESS SAFETY AND INTEGRITY MANAGEMENT

At Cenovus, we manage process safety to prevent hazardous materials releases. Our integrity management program provides the framework for activities required to ensure our physical assets remain in fit condition for service. Engineers are engaged to lead risk assessments, administer management of change and design mitigations and controls. The maintenance team plans and executes work to keep our facilities operating safely, and our operations teams execute work according to well-defined procedures to ensure predictable performance.

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

In 2019, we had a third-party review of our integrity programs and the results of our review were very positive – benchmarking Cenovus either equal to or better than our industry peers.

Safety reports and dashboards

Reporting is a critical component of our health and safety program. As shown in the image below, Cenovus encourages reporting of all potential safety issues. We use tools such as Intellex, Power BI and ISNetworld to collect and analyze information about incidents and near miss investigations, hazard identification and mitigation, audits and inspections, behaviour observations and corrective actions. This information is used to keep leaders notified about event occurrences and drive continuous improvement.

In 2019, Cenovus created a reporting system that enables us to visualize our health and safety performance. Using a Power BI dashboard, staff now have an incident reporting system that's mobile and is able to support safety audits and assurance work. It collects electronic data automatically and translates this data into a visual dashboard that anyone in the business can access to get leading or lagging information on safety performance of the business in real time.

Report all incidents and near misses





EMERGENCY MANAGEMENT

Incident management process

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 and throughout an emergency is critical.

At Cenovus, our commitment to ensuring efficient and effective emergency management is outlined in our Sustainability Policy and COMS. Our Emergency Management program is based on the Canadian Standards Association Standard Z246.2 (Emergency preparedness and response for petroleum and natural gas industry systems). The Incident Command System 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](#).

Emergency management activities

Our **emergency management activities** are highlighted on our website. Please learn more about the following:

- Core emergency response plan
- Emergency management program information
- Wildfire emergency response plan

Industrial hygiene

The Industrial Hygiene team is responsible for managing health risks encountered in the workplace. Cenovus's industrial hygiene programs address specific industrial health hazards, such as benzene, noise and radiation. The programs also set expectations on control methods, including portable gas detection, respiratory protection and personal protective equipment.

OCCUPATIONAL HEALTH AND WELLNESS

Cenovus health and wellness programs

Cenovus's occupational health and wellness programs provide a number of tools and resources for employees:

- The Employee and Family Assistance Program provides employees and their families with access to confidential counselling services and other resources
- Wellness programming includes health information seminars, group fitness, wellness classes and other resources to help staff learn more about important health issues
- A disability management program for employees with short- and long-term disabilities, including support for those unable to work due to disability, support for those who are able to remain engaged in the workplace during their period of disability, and support for those returning to work following an injury or illness
- Onsite health centres provide 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
- At our conventional assets, where we don't have onsite health centres, we offer health assessments by third-party service providers, wellness programs and referrals to local public health facilities and resources

Mental health benefits

In July 2019, we increased mental health basic coverage from \$1,000 to \$6,000 per person per year, for use towards practitioners such as psychologists, social workers and family therapists. This amount of coverage is considered best-in-class for corporations in Canada.

In addition to our increased mental health benefits, we continue to promote mental health awareness through the Not Myself Today program that was developed by the Canadian Mental Health Association. The program aims to help individuals and teams within Cenovus talk more about mental health, reduce stigma and create a more inclusive and supportive workplace.



Creating together. This piece was created by Cenovus Calgary staff and local artist, Dean Stanton, as part of an art therapy exercise during Canadian Mental Health Week in May 2019.



OUR PEOPLE

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.

PEOPLE STRATEGY

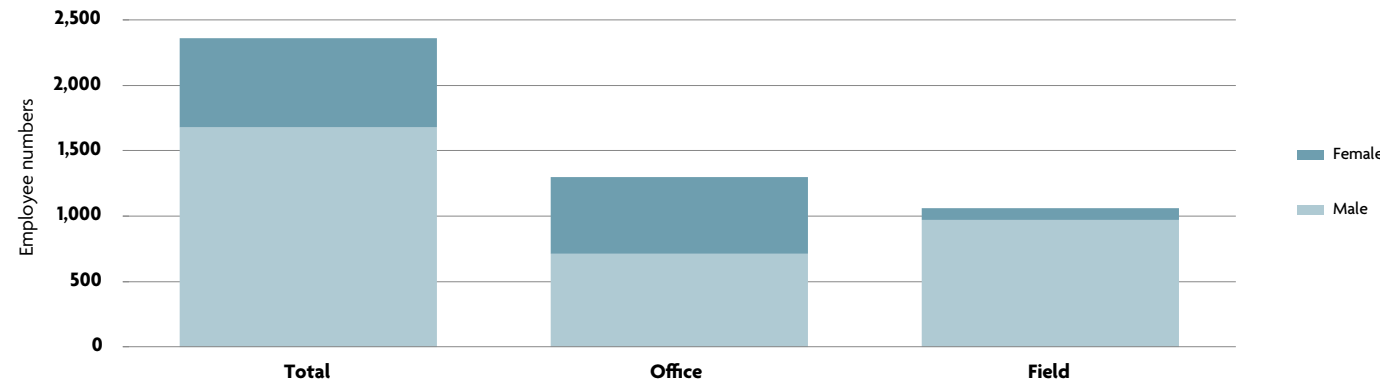
At Cenovus, we're building a diverse and inclusive workplace focused on providing an environment where people feel respected, valued and listened to.

Our People Strategy is based on four core areas:

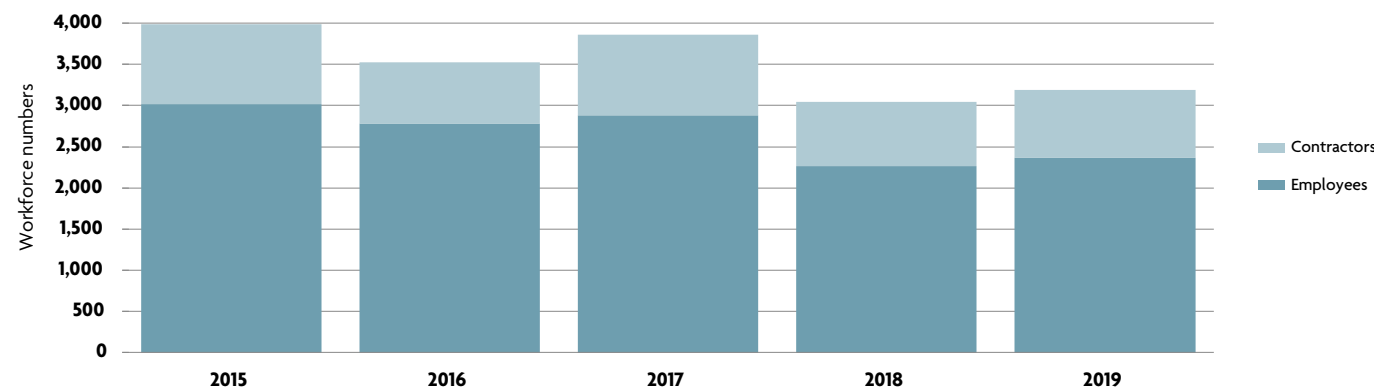
- **Capacity** – ensuring we have the right organizational model, structure, processes and resources
- **Capability** – investing in our people to ensure we have the required skills, knowledge and expertise
- **People experience** – creating strong organizational health where our employees are engaged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



Employees by gender and location



Workforce by type



COVID-19

In response to the global COVID-19 pandemic of early 2020, Cenovus took immediate and decisive steps to protect the health and safety of our staff and the continuity of our business. We directed the vast majority of our office staff, as well as field-based staff who were not required at site, to work from home. We implemented mandatory self-isolation protocols, restricted business travel, enhanced cleaning activities, and introduced rigorous screening procedures and strict physical distancing measures at our field operations. We also undertook a significant company-wide communications program to keep staff informed on a daily basis of any changes in policies or procedures related to reducing the risk of COVID-19 infections at our workplaces.

As a result of significant work done through 2019 to streamline our IT infrastructure and provide enhanced mobility with the use of personal tablet computers, Cenovus’s staff were well prepared to work from home without significant downtime or productivity loss. We saw a remarkable effort by our staff to transition to their new working environment, either at home or at our facilities, to support and keep each other safe and to keep our business running smoothly during the COVID-19 pandemic. During this period, we also carried out a survey on the wellbeing of our staff and the priorities they had for an eventual return to the office.

Our return to office planning commenced in early May and the focus continues to be the health and safety of our staff. A cross-functional steering committee advises the Cenovus Leadership Team of the appropriate timing for return, based upon guidance from applicable health authorities, the Province and internal factors.

In the company-wide survey conducted in May 2020, 96 percent of our staff said they were proud to work at Cenovus based on our response to the pandemic and market volatility.



EMPLOYEE DEVELOPMENT

Employee development is critical to Cenovus because it drives the business performance that allows us to execute our business strategy. We support a 3E Development Model in training and development, focused on experience, exposure and education.

Training

In 2018, Cenovus launched Workday, a robust human resources application that integrated over 60 separate tools and applications into a single system. This secure cloud-based software enables Cenovus to manage employee data, skills, training and policy commitments in one central location. Employees can access learning tools and resources from any computer at their home or office.

Workday triggers both mandatory online training programs as well as suggesting recommended programs. In addition, we have a contractor portal which we use to deliver health and safety training to our service providers who do not have access to our in-house Cenovus systems. Once training modules and policy commitments have been completed, leaders have direct access to track the results, providing transparency throughout the entire process.

Leadership Foundations Program

The Cenovus Leadership Foundations Program is required for all frontline leaders. This six-month program provides a unique approach to learning by incorporating training and coaching elements. The curriculum integrates the four competencies outlined in Cenovus's Leadership Framework along with the 3E Development Model to help provide the foundational skills, support and resources necessary to help frontline leaders be successful in their role.

Performance planning

In addition to our development programs, all 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.

Leadership Framework

Inspire

Set clear direction and inspire people to follow your lead

Achieve

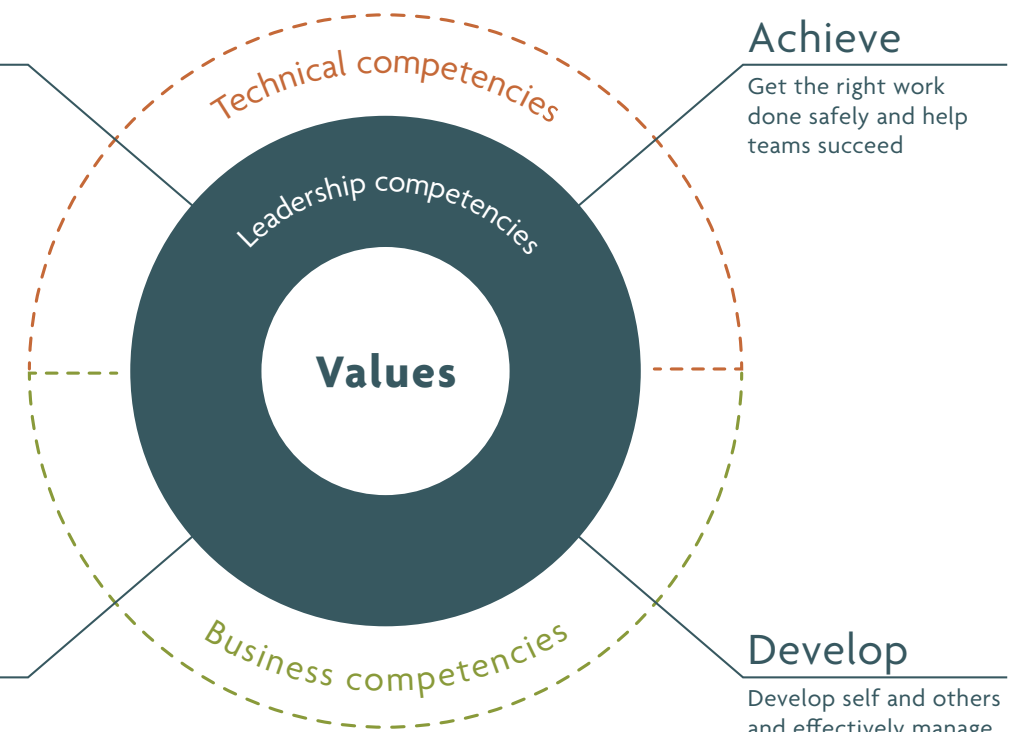
Get the right work done safely and help teams succeed

Transform

Lead change and drive continuous improvement

Develop

Develop self and others and effectively manage performance for growth



Talent attraction and retention

Cenovus focuses on attracting, recognizing, rewarding and retaining employees that can best help us deliver on the company’s business objectives in alignment with Cenovus’s values. Our total rewards approach is market-aligned and provides Cenovus employees with competitive compensation, health and insurance benefits, pension and savings plans.

Encouraging staff feedback

We have several mechanisms in place to encourage staff to provide feedback and voice workplace concerns. Some of these include speaking with a supervisor, a human resources business partner, a member of our Investigations Committee or reporting a concern through our Integrity Helpline.

We carry out a biennial organizational health survey which provides staff with the opportunity to provide feedback on a number of organizational topics. We

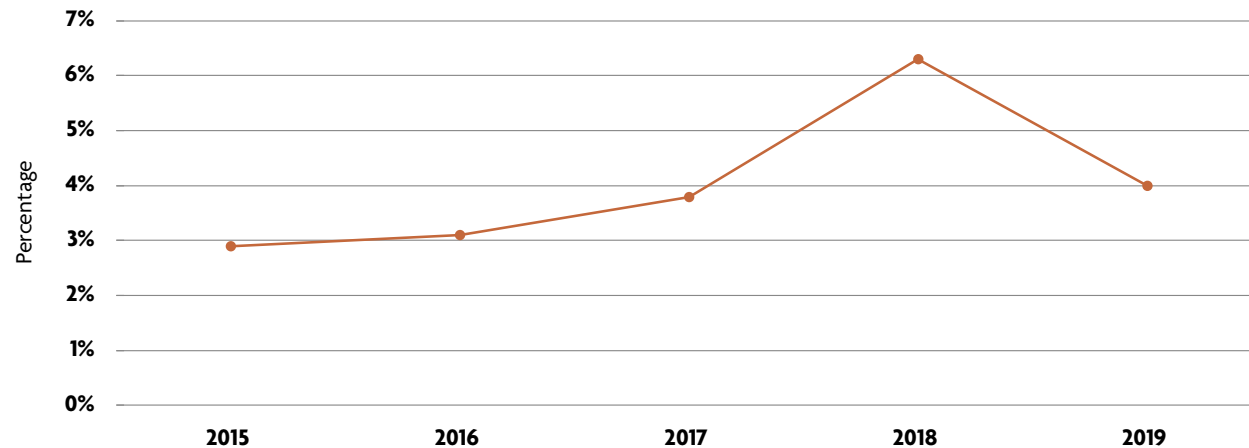
also host company-wide town hall meetings as well as quarterly leadership team member town halls, which have proven to be a very effective tool for staff feedback. Our CEO hosts regular videos and publishes an internal blog on a variety of topics that staff comment and provide feedback on. In addition, staff are encouraged to comment on all communication that is posted to the company’s intranet through a feedback link on each post.

Work options and opportunities

Flexible working and leaves

Modernizing our technology in recent years has enabled our staff to remain connected while working remotely. This became especially important in helping people adapt to working from home during the COVID-19 pandemic. We continue to provide flexible working arrangements for staff across the company to help them balance and integrate work and home responsibilities. Additionally, Cenovus provides several leave options for staff who require time away from the workplace.

Voluntary employee turnover¹



¹2019 peer average was 4.6 percent.

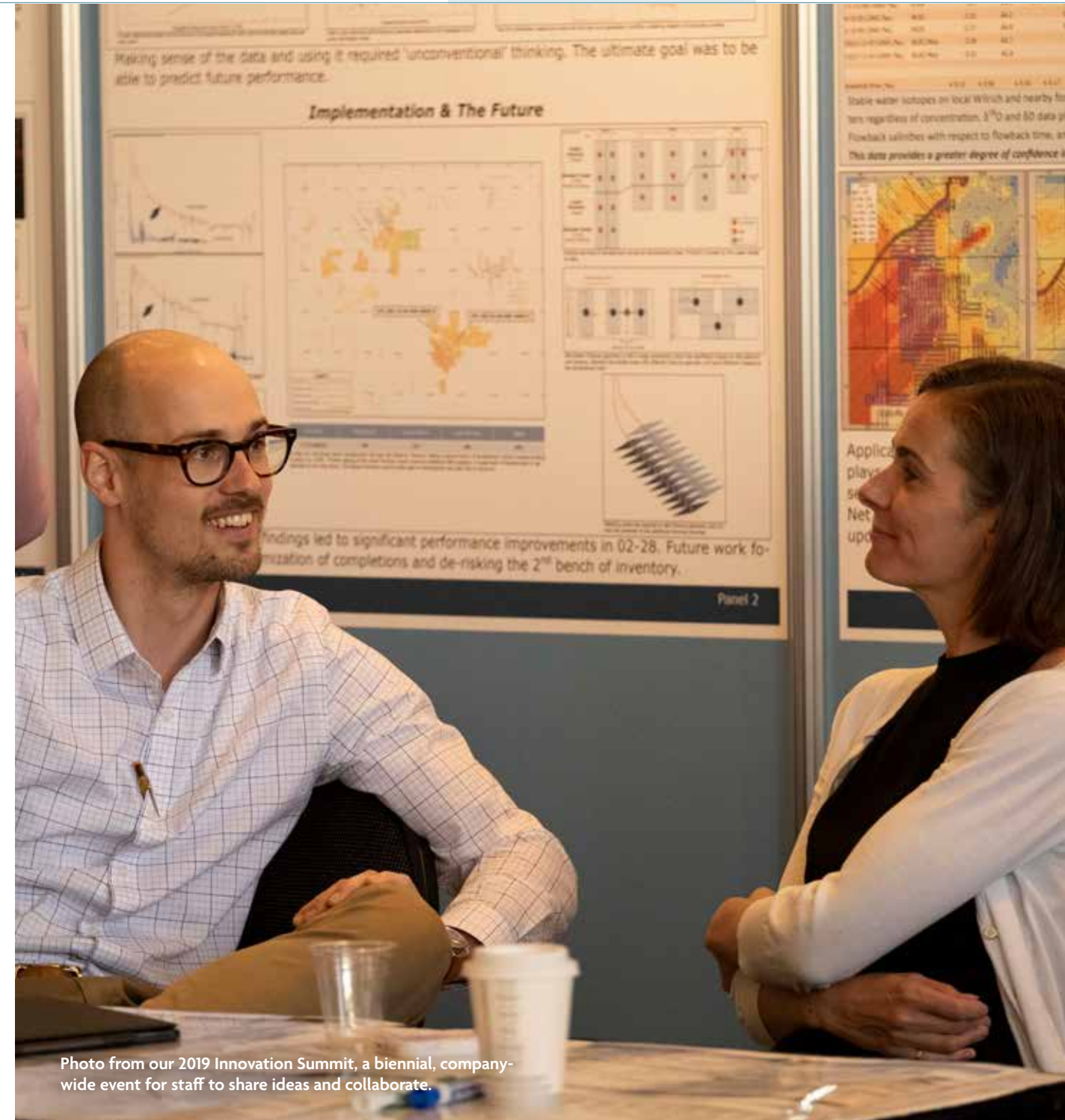


Photo from our 2019 Innovation Summit, a biennial, company-wide event for staff to share ideas and collaborate.

DIVERSITY AND INCLUSION

We are continuing to build an inclusive workplace by drawing on the skills and talents of our diverse employees to provide Cenovus with a competitive advantage and to create business value. Our commitment to diversity and inclusion is anchored in our Code of Business Conduct & Ethics and Sustainability Policy.

We provide a safe workplace, apply fair labour practices, treat our workforce with dignity, fairness and respect and support 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.

Board diversity policy

In February 2020, our Board revised its Board Diversity Policy to reflect the company's commitment to the principles of diversity. The policy now includes a 2025 aspirational target to have at least 40 percent of independent members represented by women, Indigenous peoples, persons with disabilities and members of visible minorities, with at least three women as independent members of the Board. While diversity is an important and valuable consideration in assessing potential candidates for the Board, all nominations and appointments are made on merit in the context of the skills, expertise and experience that Cenovus requires.

Three of the 10 independent directors elected to Cenovus's Board at the company's 2020 Annual Meeting of Shareholders are women.

Diversity and inclusion leadership

- **Diversity and Inclusion Advisory Committee** – This committee is composed of staff at all levels across the organization who share information and champion diversity and inclusion initiatives on their teams
- **Diversity and Inclusion Council** – In the fall of 2019, we set up a more formal council that includes senior leaders to implement diversity and inclusion initiatives at an organizational level

Diversity and inclusion training program

Last year, we developed our internal diversity and inclusion training program and are now starting to roll it out. The program takes a novel approach to diversity and inclusion training, providing a phased approach based on team readiness.

1. Project Inclusion, a leader-led, eight-week exercise to link acts of inclusion to performance and engagement, was completed by approximately 40 leaders and 200 staff.
2. Inclusion in Action is a series-based team training model offered as a stand-alone training option for teams and is also embedded as a half-day training segment in the Leadership Foundations Program, a program that all frontline leaders will complete over the next two years.
3. The D&I Lens is a specialized tool for staff, leaders and hiring managers that encourages self-reflection and inspires acts of inclusion. We believe that transformative action takes time and requires a blend of leader, team and individual tools and resources.

Diversity and inclusion networks

Over the past year, work has gone into building a charter for staff who would like to start an employee resource network. We now have a governance framework and a process to increase the number of formal networks. To date, we have two main networks within Cenovus: Pride@CVE and Stronger Together with Women@Cenovus.

Creating an inclusive space

At our new headquarters at Brookfield Place in Calgary, we have created amenity floors that include family rooms (for nursing or pumping), a multifaith prayer room, an ablution station, a meditation room, activity spaces for group workouts and fitness classes, all-gender washrooms, community sharing space for our network groups, flex project spaces, and a resource library.





DATA & APPENDIX

REPORTING DATA & SASB INDEX

The data in this report is based on available information from January 1, 2019 through December 31, 2019 for the corporate entities in which Cenovus was the operator. A detailed summary of the reporting boundaries for this report can be found in [Reporting approach](#). Financial amounts are reported in Canadian dollars unless otherwise stated.

In 2019, we transitioned our report to align with the SASB framework in an effort to drive consistency and comparability of sustainability performance data across our industry. We refer to the SASB Oil & Gas – Exploration & Production Standard (October 2018). The SASB index contains information on where to find relevant disclosures within the table and the report. We will continue to evaluate additional SASB metrics for potential disclosure in future reports.

Financial	2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG ¹	Assurance
Common shares outstanding (millions) - period end	833	833	1,229	1,229	1,229	-					
Market capitalization (\$ millions)	14,583	16,916	14,107	11,796	16,220	38%		102-7			
Gross sales (\$ millions)	13,207	12,282	18,623	21,403	21,353	-	FN-07				
Adjusted funds flow (\$ millions)	1,691	1,423	2,914	1,674	3,724	122%	FN-01; FN-07				
Per share - diluted (\$)	2.07	1.71	2.64	1.36	3.03	123%	FN-07				
Annual capital investments (\$ millions)	1,714	1,026	1,661	1,363	1,176	-14%	FN-02; FN-03; FN-07	201-1		9.5	
Operating expenses (\$ millions)	1,839	1,683	2,375	2,156	2,088	-3%	FN-07				
Dividends per common share (\$/share)	0.8524	0.2000	0.2000	0.2000	0.2125	6%		201-1			
Dividend yield (%)	4.9	1.0	1.7	2.1	1.6	-24%	FN-04				
Current income tax expense (recovery) (\$ millions)	574	(173)	(231)	(126)	17	-	FN-07	201-1			
Gross employee wages and benefits (\$ millions)	730	600	667	585	560	-4%	FN-05; FN-06; FN-07	201-1		8.5	
Royalties (\$ millions)	143	148	445	548	1,172	114%	FN-07	201-1			
Total assets (\$ millions)	25,791	25,258	40,933	35,174	35,713	2%		102-7			
Debt to capitalization ratio (%)	34	35	32	34	26	-24%	FN-01	102-7			
Net debt to capitalization ratio (%)	16	18	31	32	25	-22%	FN-01	102-7			
FN-01	Non-GAAP measure as referenced in our Advisory.										
FN-02	Capital expenditures before acquisition capital.										
FN-03	Includes expenditures on property, plant and equipment, exploration and evaluation assets and assets held for sale.										
FN-04	Based on TSX closing share price at year end using annualized dividend.										
FN-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.										
FN-06	Gross employee wages include salaries, short term benefits, bonuses, pension costs and severance.										
FN-07	2017 and 2018 amounts include the results of Cenovus's original conventional segment, which was classified as a discontinued operation as required by International Financial Reporting Standards; see note 11 to the 2018 annual consolidated financial statements.										

¹Demonstrating alignment of our existing indicators with the SDGs at the target level is not intended to measure progress towards the achievement of the SDGs, but to identify and understand where we have an opportunity to improve or reduce our impact on the Goals.

Operating production		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Gross production, before royalties	Total (m ³ OE/d)	69,598	70,231	91,059	74,744	71,109	-5%	OP-01; OP-03		EM-EP-000.A	7.1	
	Oil (bbls/d)	85,504	78,151	72,415	6,165	5,440	-12%	OP-02; OP-03		EM-EP-000.A	7.1	
	Natural gas (MMscf/d)	471	430	795	566	490	-13%	OP-03		EM-EP-000.A	7.1	
	Oil sands bitumen (m ³ OE/d)	44,569	47,691	57,039	57,733	56,370	-2%	OP-01; OP-03		EM-EP-000.A	7.1	
	Total (BOE/d)	434,721	438,981	573,022	470,383	447,508	-5%	OP-01; OP-03	102-7	EM-EP-000.A	7.1	
	Oil sands bitumen (bbls/d)	280,468	300,112	358,942	363,332	354,754	-2%	OP-03	102-7	EM-EP-000.A	7.1	
OP-01	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 are derived from gross operating production data from Petrinex (Canada's Petroleum Information Network) and as such will vary from net production values reported in our financial reports which reflects Cenovus's ownership share. Natural gas is converted using a factor of 0.971 m ³ OE per 10 ³ m ³ natural gas. Bitumen and oil are converted to m ³ OE from m ³ using a 1:1 conversion factor.											
OP-02	Oil includes oil production from our conventional assets, natural gas liquids and condensate.											
OP-03	In 2019, we began reporting using the SASB Oil & Gas - Exploration and Production Standard. With the change in standard, we revised our production reporting methodology and re-reported our 2018 total production volumes to reflect our change in methodology. Our production volumes decreased in 2019 due to the mandatory curtailment program put in place by the Government of Alberta to limit production.											

Leadership & governance		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Business conduct investigations		27	18	23	30	29	-3%	GV-01				
Integrity Helpline intakes		117	81	84	64	78	22%					
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.											

GHG emissions		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Gross total scope 1 GHG emissions (MMt CO ₂ e)	Company-wide	5.94	6.54	8.41	8.56	8.56	-	EM-01; EM-12	305-1	EM-EP-110a.1	13.1	Reasonable
	Oil sands	4.69	5.43	6.30	6.79	6.97	3%	EM-01; EM-12	305-1	EM-EP-110a.1	13.1	Reasonable
Gross total scope 2 GHG emissions (MMt CO ₂ e)	Company-wide	1.29	1.25	1.04	0.38	0.24	-38%	EM-02; EM-12	305-2		13.1	Reasonable
	Oil sands	0.38	0.40	0.06	0.05	0.06	28%	EM-02; EM-12	305-2		13.1	Reasonable
Gross total scope 1 & 2 GHG emissions (MMt CO ₂ e)	Company-wide	7.2	7.8	9.5	8.9	8.8	-2%				13.1	
Gross total scope 1 GHG emissions intensity (t CO ₂ e/m ³ OE)	Company-wide	0.23	0.26	0.25	0.31	0.33	5%	EM-03; EM-12	305-4		7.3; 13.1	Reasonable
	Oil sands	0.29	0.31	0.30	0.32	0.34	5%	EM-03; EM-12	305-4		7.3; 13.1	Reasonable
Gross total scope 2 GHG emissions intensity (t CO ₂ e/m ³ OE)	Company-wide	0.051	0.049	0.031	0.014	0.009	-35%	EM-04; EM-12			7.3; 13.1	Reasonable
	Oil sands	0.024	0.023	0.003	0.002	0.003	31%	EM-04; EM-12			7.3; 13.1	Reasonable
Gross total scope 1 & 2 GHG emissions intensity (t CO ₂ e/m ³ OE)	Company-wide	0.28	0.30	0.28	0.33	0.34	3%				7.3; 13.1	
Methane emissions (MMt CO ₂ e)	Company-wide	0.53	0.44	0.93	0.92	0.83	-9%	EM-05; EM-12	305-1		13.1	
	Oil sands	0.03	0.02	0.02	0.04	0.03	-19%	EM-05; EM-12	305-1		13.1	
Percentage of gross global scope 1 emissions from methane (%)	Company-wide	8.93	6.67	11.05	10.72	9.75	-9%	EM-05		EM-EP-110a.1	13.1	
	Oil sands	0.70	0.41	0.34	0.57	0.45	-22%	EM-05		EM-EP-110a.1	13.1	

GHG emissions		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance	
Percentage of emissions covered under emissions limiting regulation (%)	Company-wide	79	83	77	82	84	2%	EM-06		EM-EP-110a.1	13.1		
	Oil sands	100	100	100	100	100	-	EM-06		EM-EP-110a.1	13.1		
Gross global scope 1 GHG emissions by source (MMt CO ₂ e)	Combustion	Company-wide	5.38	6.10	7.47	7.60	7.66	1%	EM-07; EM-12		EM-EP-110a.2	13.1	
		Oil sands	4.63	5.39	6.26	6.73	6.91	3%	EM-07; EM-12		EM-EP-110a.2	13.1	
	Flared hydrocarbons	Company-wide	0.10	0.08	0.07	0.06	0.07	9%	EM-08; EM-12		EM-EP-110a.2	13.1	
		Oil sands	0.01	0.03	0.02	0.03	0.04	60%	EM-08; EM-12		EM-EP-110a.2	13.1	
	Process emissions	Company-wide	0.026	0.021	0.020	0.009	0.005	-49%	EM-09; EM-12		EM-EP-110a.2	13.1	
		Oil sands	0.0	0.0	0.0	0.0	0.0	-	EM-09; EM-12		EM-EP-110a.2	13.1	
	Vented emissions	Company-wide	0.26	0.16	0.29	0.25	0.24	-4%	EM-10; EM-12		EM-EP-110a.2	13.1	
		Oil sands	0.03	0.01	0.01	0.02	0.01	-32%	EM-10; EM-12		EM-EP-110a.2	13.1	
	Fugitive emissions	Company-wide	0.17	0.18	0.56	0.64	0.60	-7%	EM-11; EM-12		EM-EP-110a.2	13.1	
		Oil sands	0.003	0.009	0.007	0.010	0.008	-20%	EM-11; EM-12		EM-EP-110a.2	13.1	
	EM-01	Total scope 1 emissions from oil sands increased as a result of Christina Lake Phase G coming online. This value also includes a small amount of emissions from transportation of Cenovus-owned fleet vehicles onsite which was not captured in previous reporting years. Our 2018 company-wide total scope 1 emissions number was re-reported in 2019 from 8.454 to capture an error regarding fugitives emissions realized as part of a change in reporting to the SASB standard.											
	EM-02	Reduction in company-wide total scope 2 emissions was a result of decreased production across our conventional operations, resulting in decreased electricity demand. Additionally, the Alberta grid factor changed from 0.9 to 0.8 t/MWh. Total scope 2 emissions from oil sands increased due to Christina Lake Phase G coming online as well as importing more electricity from the Alberta grid, largely associated with annual variances in required cogeneration maintenance.											
EM-03	Scope 1 emissions intensity increased due to the mandatory curtailment program put in place by the Government of Alberta to limit production. We re-reported the 2018 scope 1 company-wide emissions intensity value as a result of re-reporting the 2018 scope 1 absolute emissions value referenced in EM-01. The intensity was adjusted from 0.288 to 0.314 (t CO ₂ e/m ³ OE).												
EM-04	Company-wide scope 2 emissions intensity decreased as a result of a decrease in total scope 2 emissions referenced in EM-02. Oil sands scope 2 emissions intensity increased due to the mandatory curtailment program put in place by the Government of Alberta to limit production.												
EM-05	Our overall methane emissions decreased in 2019 as we continue to actively manage and implement reduction and mitigation measures (e.g. identification of non-routine, intermittent venting tanks, and implementation of vent reduction/mitigation measures).												
EM-06	In 2019, our oil sands facilities were covered under Specified Gas Emitters Regulation/Carbon Competitiveness Incentive Regulation. This Alberta GHG reporting program is for large final emitters (over 100kt CO ₂ e). We pay on emissions that don't meet the performance benchmarks set by the government. Our Caribou North and Elmworth conventional sites are also covered by these regulations. Effective in 2020, 100 percent of combustion-related emissions from Cenovus's operations are subject to a carbon pricing regime under Alberta's Technology, Innovation & Emissions Reduction regulation (TIER).												
EM-07	Combustion includes emissions from stationary devices including steam generators, turbines, boilers, heaters, engines, diesel, propane and mobile sources including company-owned fleet. Most of our combustion is from our steam generation in the oil sands.												
EM-08	Flaring is a controlled burning of natural gas. We experienced an increase in oil sands flaring due to a larger allowance for flaring than in previous years as a result of the AER approval to increase SO ₂ limits from 4t/d to 7t/d at both Foster Creek and Christina Lake. 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-09	In 2019, we started reporting on metrics using the SASB Oil & Gas - Exploration & Production Standard. SASB defines process emissions to include emissions from hydrogen plants, amine units, glycol dehydrators, fluid catalytic cracking unit and reformer generation, and flexi-coker coke burn. Our oil sands facilities do not have glycol dehydrator units. We had a reduction in venting in our glycol dehydrator units in our conventional operations due to a general decline in amount of gas processed. This reduction is also attributed to a shut-in of our Athabasca Gas operating dehydrator units with the exception of one unit at Caribou North.												
EM-10	Venting is a controlled release of natural gas into the atmosphere. In 2019, we experienced a reduction in our vented volumes due to increased awareness and focus on venting. This has resulted in learnings and improvements in operator response to venting, including plant design enhancements and improved controls in systems used to monitor and manage the facility operation.												
EM-11	Fugitive emissions are otherwise known as leaks. Leaks can come from a variety of production equipment including connectors, seals and valves. In 2019, we experienced a decrease in fugitive emissions primarily due to an overall reduction in our leak volumes at Christina Lake. We have a robust fugitives emission management program in place which seeks to "find and fix" leaks within our operations using optical gas imaging cameras, which we continue to rigorously manage in both our oil sands and conventional assets. Our 2018 company-wide fugitives number was re-reported to capture an error realized as part of change in reporting to the SASB Standard.												
EM-12	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, as well as CAPP 2014 Responsible Canadian Energy Metrics Guide (CAPP, 2014), and CAPP Guide: A Recommended Approach to Completing the National Pollutant Release Inventory for the Upstream Oil and Gas Industry (2007).												

Air quality		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
SO ₂ emissions (tonnes)	Company-wide	3,167	2,572	2,779	1,935	4,179	116%	AQ-01	305-7	EM-EP-120a.1	3.9	
	Oil sands	942	1,083	1,508	1,646	3,998	143%	AQ-01	305-7	EM-EP-120a.1	3.9	
NO _x emissions (tonnes)	Company-wide	7,770	7,924	12,078	9,285	8,991	-3%	AQ-01	305-7	EM-EP-120a.1	3.9	
	Oil sands	1,986	2,100	2,443	2,720	2,614	-4%	AQ-01	305-7	EM-EP-120a.1	3.9	
Volatile organic compounds (VOCs) (tonnes)	Company-wide	5,088	2,306	4,688	3,224	2,802	-13%	AQ-02	305-7	EM-EP-120a.1	3.9	
	Oil sands	2,686	382	1,043	419	511	22%	AQ-03	305-7	EM-EP-120a.1	3.9	
Total particulate matter (tonnes)	Company-wide	73	97	113	189	193	2%		305-7	EM-EP-120a.1	3.9	
	Oil sands	26	61	54	129	142	10%	AQ-03	305-7	EM-EP-120a.1	3.9	
AQ-01	NO _x and SO ₂ are a byproduct of the fuel combustion process. Company-wide SO ₂ emissions increased in 2019 a result of a variance granted by the AER which increased our daily SO ₂ emissions limits for both Foster Creek and Christina Lake. Ambient air quality monitoring results for SO ₂ at both Foster Creek and Christina Lake continue to comply with regulatory limits. At our Christina Lake project, we use flue gas recirculation technology to reduce NO _x emissions.											
AQ-02	Our company-wide VOCs decreased in 2019 due to lower flaring, venting, and combustion across our conventional operations.											
AQ-03	Our oil sands VOCs and total particulate matter volumes increased in 2019 due to higher flaring as a result of the variance granted by the AER to increase daily SO ₂ limit for both Foster Creek and Christina Lake.											

Energy use		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Energy use (millions GJ)	Company-wide	105.70	113.08	135.04	146.18	147.18	1%	EM-12	302-1			
	Oil sands	89.24	97.23	110.86	128.90	132.53	3%	EM-12	302-1			
Energy intensity (GJ/m ³ OE)	Company-wide	4.16	4.41	4.06	5.36	5.67	6%	EN-01; EM-12	302-1		7.3	
	Oil sands	5.49	5.59	5.33	6.12	6.44	5%	EN-01; EM-12	302-1		7.3	
EN-01	Our energy intensity increased due to the mandatory curtailment program put in place by the Government of Alberta to limit production. Our 2018 energy intensity was re-reported as a result of re-reporting our 2018 total scope 1 emissions, referenced in footnote EM-01.											

Land & wildlife			2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Reportable spills > 1 bbl (number)	Company-wide	Total	104	74	69	25	27	8%	SP-01	306-3	EM-EP-160a.2	15.5	
		Hydrocarbon	65	34	51	15	9	-40%	SP-01	306-3	EM-EP-160a.2	15.5	
		Non-hydrocarbon	39	40	18	10	18	80%	SP-01	306-3	EM-EP-160a.2	15.5	
	Oil sands	Total	39	35	26	17	24	41%	SP-01	306-3	EM-EP-160a.2	15.5	
		Hydrocarbon	14	9	11	8	6	-25%	SP-01	306-3	EM-EP-160a.2	15.5	
		Non-hydrocarbon	25	26	15	9	18	100%	SP-01	306-3	EM-EP-160a.2	15.5	
Estimated volume spilled for reportable spills > 1 bbl (bbls)	Company-wide	Total	11,136	4,485	14,234	1,947	1,521	-22%	SP-01	306-3	EM-EP-160a.2	15.5	
		Hydrocarbon	4,174	1,394	3,453	1,521	249	-84%	SP-01	306-3	EM-EP-160a.2	15.5	
		Non-hydrocarbon	6,962	3,091	10,780	426	1,272	199%	SP-01	306-3	EM-EP-160a.2	15.5	
	Oil sands	Total	5,174	1,800	2,507	1,033	1,444	40%	SP-01	306-3	EM-EP-160a.2	15.5	
		Hydrocarbon	995	246	1,331	611	171	-72%	SP-01	306-3	EM-EP-160a.2	15.5	
		Non-hydrocarbon	4,179	1,553	1,176	423	1,272	201%	SP-01	306-3	EM-EP-160a.2	15.5	
Volume of spills recovered (bbls)	Company-wide	-	-	-	-	1,484	-	SP-01; SP-02		EM-EP-160a.2	15.5		
	Oil sands	-	-	-	-	1,414	-	SP-01; SP-02		EM-EP-160a.2	15.5		
Total area under reclamation (hectares)			5,721	4,780	3,900	3,641	3,455	-5%	LD-01			15.5	
Total wells undergoing active reclamation (number)			3,617	3,743	2,077	3,283	2,108	-36%	LD-02			15.5	
Total reclaimed land (hectares)			155	1,136	795	875	630	-28%	LD-03			15.5	
Well site reclamation certificates received (number)			59	235	157	288	171	-41%	LD-04	304-3		15.5	Limited
Total area under restoration (hectares)			-	-	-	-	66,583	-	LD-05			15.1; 15.5	
Restoration ratio (ratio)			-	-	-	-	0.34	-	LD-05			15.1; 15.5	Limited
Cumulative spend on caribou habitat restoration (\$MM CAD)			-	-	-	-	9.52	-	LD-05			15.a; 15.5	
Total annual spend on caribou habitat restoration (\$MM CAD)			-	-	-	-	4.56	-	LD-05			15.a; 15.5	
Percentage of leased land in or near sites with protected conservation status or endangered species habitat (%)	Conventional	-	-	-	-	29	-	LD-06		EM-EP-160a.3	15.5		
	Oil sands	-	-	-	-	64	-	LD-06		EM-EP-160a.3	15.5		
SP-01	Company-wide spill count edged slightly higher in 2019 with a significant reduction in our hydrocarbon-related spills. Our increase in spills was related to non-hydrocarbon related releases associated with our SAGD facilities as these facilities process both hydrocarbons and water as part of the recovery process. Cenovus continues to focus on reducing all spills at our facilities.												
SP-02	In 2019, Cenovus began tracking volume of spills recovered in accordance with the SASB Oil & Gas - Exploration & Production Standard.												
LD-01	As of 2019, data includes conventional sites following the migration to our new database (Siteview). Where actual hectares is unknown, a default of 1.64 hectares is used.												
LD-02	Does not include sites that are reclamation certified, waiting on abandonment, new wells or wells with facilities on location. Reduction in 2019 is due to receiving a large amount of reclamation certificates in 2018. Once a site is reclamation certified it is removed from the portfolio and closed.												
LD-03	Our reduction in total reclaimed land in 2019 is a result of receiving fewer reclamation certificates compared to 2018.												
LD-04	Well site reclamation certificates received fluctuates each year as it depends on inventory and when sites are ready for reclamation certificate. Average timeline for a reclamation certificate is five to seven years. Sites that we certified in 2019 were abandoned approximately five to seven years ago on average.												

LD-05	In 2019, we began tracking these metrics to evaluate progress on our land & wildlife targets. Restoration ratio is calculated by dividing the total net area (hectares) under restoration (including completed projects), divided by total operations area leased within caribou range. Overlapping, persistent disturbance is subtracted from our restored area. Total area under restoration includes completed projects as well as those actively under restoration. Cumulative and total spend on caribou habitat restoration values reflect restoration costs that are inclusive of tree planting and other associated expenses. Values are not inclusive of costs associated with restoration effectiveness monitoring and research on plant and animal response. Cumulative value reflects spend since January 1, 2016.
LD-06	In 2019, we began tracking this metric in accordance with the SASB Oil & Gas - Exploration & Production Standard. We modified the metric for calculation simplicity and it is calculated by dividing our operating leased area impacted by caribou range, by our total operating leased area. Gross hectare acreage numbers are based on acreage counts per lease. Mineral leases falling within a caribou range (Alberta & British Columbia) or intersecting a caribou range have been counted as acreage falling within the caribou range.

Water stewardship		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Total non-saline water withdrawn (10 ³ m ³)	Company-wide	3,069	3,068	3,651	2,989	3,320	11%	WS-01; WS-02	303-3	EM-EP-140a.1	6.4; 6.6	Limited
	Oil sands	1,843	2,403	3,013	2,736	3,273	20%	WS-01; WS-02		EM-EP-140a.1	6.4; 6.6	Limited
Total non-saline water consumed (10 ³ m ³)	Company-wide	2,756	2,839	2,555	2,800	3,192	14%	WS-01; WS-02		EM-EP-140a.1	6.4; 6.6	
	Oil sands	1,601	2,193	2,168	2,565	3,162	23%	WS-01; WS-02		EM-EP-140a.1	6.4; 6.6	
Volume of produced water (10 ³ m ³)	Percentage discharged (%)	0	0	0	0	0	-	WS-01		EM-EP-140a.2	6.4; 6.6	
	Percentage injected (%)	66	58	44	19	20	5%	WS-01; WS-03		EM-EP-140a.2	6.4; 6.6	
	Percentage recycled (%)	46	51	46	91	88	-3%	WS-01; WS-03		EM-EP-140a.2	6.4; 6.6	
	Total	70,939	73,114	89,735	50,816	52,398	3%	WS-01		EM-EP-140a.2	6.4; 6.6	
Volume of flowback (10 ³ m ³)	Percentage discharged (%)	-	-	0	0	0	-	WS-01; WS-04		EM-EP-140a.2	6.4; 6.6	
	Percentage injected (%)	-	-	100	100	100	-	WS-01; WS-04		EM-EP-140a.2	6.4; 6.6	
	Percentage recycled (%)	-	-	0	0	0	-	WS-01; WS-04		EM-EP-140a.2	6.4; 6.6	
	Total	-	-	19	35	1	-97%	WS-01; WS-04		EM-EP-140a.2	6.4; 6.6	
Fresh water intensity (bbl/BOE)	Company-wide	0.12	0.12	0.11	0.11	0.13	17%	WS-01; WS-05			6.4; 6.6	Limited
	Oil sands	0.11	0.14	0.14	0.13	0.16	22%	WS-01; WS-05			6.4; 6.6	Limited
Percentage of non-saline withdrawn in regions with high or extremely high baseline water stress (%)		-	-	-	-	0	-	WS-01; WS-06		EM-EP-140a.1	6.4; 6.6	
Percentage of non-saline water consumed in regions with high or extremely high baseline water stress (%)		-	-	-	-	0	-	WS-01; WS-06		EM-EP-140a.1	6.4; 6.6	
Hydrocarbons water discharged to environment (tonnes)		-	-	-	-	0	-	WS-01		EM-EP-140a.2	6.4; 6.6	
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used (%)		-	-	100	100	100	-	WS-01; WS-07		EM-EP-140a.3	6.4; 6.6	
Percentage of hydraulically fractured wells where ground or surface water quality deteriorated compared to a baseline (%)		-	-	-	-	0	-	WS-01; WS-08		EM-EP-140a.4	6.4; 6.6	
WS-01	In 2019, we began reporting metrics using the SASB Oil & Gas - Exploration & Production Standard. In agreement with the Alberta Ministerial Regulations and other Alberta regulations and policies, water with <4000 mg/L of TDS is referred to as non-saline. At Cenovus, our non-saline water use represents all the water we used directly for oil production, potable camp water, dust suppression, ice road construction and drilling.											
WS-02	Increase in total non-saline volumes withdrawn and consumed are a result of the mandatory curtailment program put in place by the Government of Alberta to limit production. Declining production in our oil sands operations results in less produced water and therefore more non-saline makeup water is required to make steam. Maintaining steam (and therefore water) levels is required to maintain the health of our reservoir and be able to mobilize oil for production at a later date. Additionally, water volumes increased to support operations at Christina Lake with Phase G coming online.											
WS-03	We inject produced water that is unusable due to composition. It is disposed, either by wells or via third party disposal sites.											

WS-04	Flowback is defined by SASB as the recovered hydraulic fracturing fluid that returns to the surface during hydraulic fracturing operations that may often be mixed with produced water. In 2019, we began to report on flowback to align with the SASB standard. Historical data is included since the acquisition of our Deep Basin assets in 2017. Prior to that, Cenovus did not have any hydraulic fracturing operations. Our 2019 flowback volumes decreased from 2018 as we had lower completions activity (i.e. fracturing). Our flowback is injected for disposal on site.
WS-05	Our increase in fresh water intensity is due to the mandatory curtailment program put in place by the Government of Alberta to limit production. Our 2018 company-wide fresh water intensity has been re-reported due to a rounding error.
WS-06	Our oil sands projects and conventional operations are in areas of low baseline water stress as classified under the Oil and Gas indicators by the World Resource Institute's Water Risk Atlas tool.
WS-07	We disclose the hydraulic fracturing chemicals we use through fracfocus.ca.
WS-08	Currently, based on the available water monitoring at sites, there have been no detections of hydrocarbons or deterioration in water quality over time related to our production, supporting that there have been no impacts at these sites.

Indigenous & community engagement	2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Annual Indigenous business spend (\$MM CAD)	347	198	240	197	140	-29%	IN-01	204-1		8.5	Limited
Percentage of surface leases on or near Indigenous lands (%)	-	-	-	-	93	-	IN-02		EM-EP-210a.2		
Number of non-technical delays (number)	-	-	-	-	0	-	IN-03		EM-EP-210b.2		
Duration of non-technical delays (days)	-	-	-	-	0	-	IN-03		EM-EP-210b.2		
Total community investment (\$MM CAD)	8.49	5.78	8.83	6.02	6.62	10%	IN-04			3.4; 4.4; 4.5; 4.6; 11.1	
IN-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 Indigenous spend was re-reported as a result of improved tracking accuracy and inclusion of Indigenous businesses that were not previously identified. In 2019, our Indigenous spend decreased due to overall reduced expenditures along with increased capital efficiencies within our business functions.										
IN-02	In 2019, Cenovus began tracking this metric with reference to the SASB Oil & Gas - Exploration and Production Standard. Cenovus defines Indigenous lands as crown-held lands where Indigenous people have the ability to practise Aboriginal and treaty rights, should they choose to do so. Our operations do not require Indigenous people to relocate, as the projects are not physically in the communities, but rather are on areas where they can practise Aboriginal and treaty rights.										
IN-03	In 2019, Cenovus began tracking this metric with reference to the SASB Oil & Gas - Exploration and Production Standard. Non-technical delays defined by SASB as shutdowns and project delays including, but not limited to, those resulting from pending regulatory permits or other political delays, community or stakeholder resistance or protest, and armed conflict.										
IN-04	Total value of cash community investments as audited by the London Benchmarking Group Canada. This value does not include employee volunteer time during working hours, in-kind contributions or project management costs.										

Safety		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Total recordable incident rate (TRIR) (rate)	Employees	0.14	0.18	0.15	0.18	0.15	-17%	HS-01; HS-02	403-9	EM-EP-320a.1	8.8	
	Contractors	0.46	0.50	0.43	0.26	0.35	35%	HS-01; HS-02	403-9	EM-EP-320a.1	8.8	
	New workers	-	-	-	-	0.09	-	HS-01; HS-02; HS-06		EM-EP-320a.1	8.8	
	Total	0.39	0.42	0.36	0.25	0.30	20%	HS-01; HS-02	403-9	EM-EP-320a.1	8.8	
Near miss frequency rate (rate)	Employees	-	-	-	-	6.48	-	HS-02; HS-05		EM-EP-320a.1	8.8	
	Contractors	-	-	-	-	3.50	-	HS-02; HS-05		EM-EP-320a.1	8.8	
	New workers	-	-	-	-	0.11	-	HS-02; HS-05; HS-06		EM-EP-320a.1	8.8	
	Total	-	-	-	-	4.30	-	HS-02; HS-05		EM-EP-320a.1	8.8	
Fatality rate (rate)	Employees	0.0	0.0	0.0	0.0	0.0	-	HS-02		EM-EP-320a.1	8.8	
	Contractors	0.0	0.0	0.0	0.01	0.0	-	HS-02		EM-EP-320a.1	8.8	
	New workers	0.0	0.0	0.0	0.0	0.0	-	HS-02; HS-06		EM-EP-320a.1	8.8	
	Total	0.0	0.0	0.0	0.01	0.0	-	HS-02	403-9	EM-EP-320a.1	8.8	
Average hours of health, safety, and emergency response training (hrs)	Employees	-	-	-	-	12.50	-	HS-03		EM-EP-320a.1	8.8	
	Contractors	-	-	-	-	8.30	-	HS-03		EM-EP-320a.1	8.8	
	New workers	-	-	-	-	-	-	HS-03; HS-06		EM-EP-320a.1	8.8	
	Total	-	-	-	-	11.63	-	HS-03		EM-EP-320a.1	8.8	
Process safety event (PSE) rates (rate)	Tier 1	0.01	0.0	0.03	0.05	0.01	-80%	HS-04	OG-13	EM-EP-540a.1	8.8	
	Tier 2	0.03	0.05	0.12	0.09	0.07	-18%	HS-04	OG-13		8.8	
HS-01	Recordable incidents 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. Our 2018 TRIR was re-reported from 0.24 due to an error in calculation.											
HS-02	Total recordable incident rate, near miss frequency rate, and fatality rates are calculated as (statistic count x 200,000)/hours worked.											
HS-03	Average hours of health, safety, and emergency (HSE) response training calculated as (total qualifying training hours provided/total number of employees). In addition, we have a Contractor Portal which we use to deliver HSE training to our service providers, with an additional 0.86 hrs of training per service provider. We currently do not track training hours specific for new workers.											
HS-04	PSE rates calculated as (total tier PSE count/total hours worked) x 200,000. Cenovus follows the CAPP Process Safety Event Reporting Guide, which is based on the American Petroleum Institute Recommended Practice 754 and the International Association of Oil and Gas Producers Report 456.											
HS-05	In 2019, Cenovus began tracking near miss frequency rates in accordance with the SASB Oil & Gas - Exploration & Production Standard.											
HS-06	In 2019, Cenovus began tracking this metric in accordance with the SASB Oil & Gas - Exploration & Production Standard. Cenovus defines a short service employee according to our New and/or Young Worker Standard (CEN-EHS139) - new to the worksite or new to the position at the existing worksite where unfamiliar tasks present new hazards or any worker who is under 25 years of age.											

Workforce		2015	2016	2017	2018	2019	% change	Footnote	GRI	SASB	SDG	Assurance
Voluntary employee turnover (%)		2.9	3.1	3.8	6.3	4.0	-37%	WF-02	401-1		8.5	
Total workforce (number)	Total	3,985	3,528	3,858	3,042	3,189	5%	WF-01	102-7		8.5	
	Employees	3,013	2,781	2,882	2,264	2,361	4%	WF-01	102-7		8.5	
	Contractors	972	747	976	778	828	6%	WF-01	102-7		8.5	
Gender breakdown (employees)	Male - Total	2,164	2,020	2,043	1,627	1,681	3%		102-8; 405-1		8.5	
	Office	886	842	918	672	710	6%		102-8; 405-1		8.5	
	Field	1,278	1,178	1,125	955	971	2%		102-8; 405-1		8.5	
	Female - Total	849	761	839	637	680	7%		102-8; 405-1		8.5	
	Office	720	648	729	551	588	7%		102-8; 405-1		8.5	
	Field	129	113	110	86	92	7%		102-8; 405-1		8.5	
Age (employees)	<26	148	85	70	47	39	-17%		405-1		8.5	
	26-30	413	350	309	228	206	-10%		405-1		8.5	
	31-35	525	495	535	407	390	-4%		405-1		8.5	
	36-40	476	458	496	425	458	8%		405-1		8.5	
	41-45	436	431	449	369	400	8%		405-1		8.5	
	46-50	378	373	376	296	320	8%		405-1		8.5	
	51-55	353	312	324	257	270	5%		405-1		8.5	
	56-60	208	206	231	181	200	10%		405-1		8.5	
	>60	76	71	92	54	78	44%		405-1		8.5	
Average age (employees)	Company-wide	41	41	42	42	43	2%		405-1		8.5	
	Office	42	42	42	43	43	1%		405-1		8.5	
	Field	40	41	41	41	42	2%		405-1		8.5	
Percentage of female employees (%)	Company-wide	28	27	29	28	29	4%		405-1		8.5	
	Management positions	26	25	23	23	26	13%	WF-03	405-1		8.5	
	Top management positions	18	22	13	20	19	-5%	WF-04	405-1		8.5	
Location of employees (number)	Office	1,606	1,490	1,646	1,223	1,298	6%		102-7		8.5	
	Field	1,407	1,291	1,236	1,041	1,063	2%		102-7		8.5	
Percentage of employees covered by performance reviews (%)	Management by objective appraisal	100	100	100	100	100	-		404-3		8.5	
	Multidimensional performance appraisal	100	100	100	100	100	-		404-3		8.5	
WF-01	Employee total is based on headcount and includes part-time employees.											
WF-02	Our methodology changed in 2018 to include voluntary retirement, which was 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	Management positions includes leaders at a Group Lead-equivalent level, Manager-equivalent level, and Director-equivalent level.											
WF-04	Top management positions includes: President & CEO, Executive Vice-President, Senior Vice-President, Vice-President and Chief.											

SASB INDEX

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Greenhouse gas emissions	Gross global scope 1 emissions, percentage methane, percentage under emissions-limiting regulations	Tonnes CO ₂ e (t) Percentage (%)	EM-EP-110a.1	Reporting data p. 74 Emissions from stationary devices related to heat from Cenovus office buildings are not currently included in our scope 1 emissions calculation.
	Amount of gross global scope 1 emissions from (1) flare hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Tonnes CO ₂ e (t)	EM-EP-110a.2	Reporting data p. 74 Other combustion was renamed combustion and includes emissions from steam generators, turbines, boilers, heaters, engines, diesel, propane and company-owned fleet vehicles. Incinerators are included in the “flaring” category. Emissions from furnaces (heat from office buildings) is currently not reported.
	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion & analysis	EM-EP-110a.3	Climate & GHG emissions p. 35 Limiting factors can be found in the Risk Factors section of Cenovus’s 2019 MD&A , p. 31.
Air quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs) and (4) particulate matter (PM ₁₀)	Tonnes (t)	EM-EP-120a.1	Reporting data p. 76
Water management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with high or extremely high baseline water stress	Thousand cubic metres (10 ³ m ³) Percentage (%)	EM-EP-140a.1	Reporting data p. 78 According to the Alberta Ministerial Regulations and other Alberta regulations and policies, water <4000 mg/L TDS is referred to as non-saline. Our oil sands projects and conventional operations are in areas of low baseline water stress as classified under the Oil and Gas indicators by the World Resource Institute’s Water Risk Atlas tool.
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Thousand cubic metres (10 ³ m ³) Percentage (%) tonnes (t)	EM-EP-140a.2	Reporting data p. 78
	Percentage of hydraulic fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	EM-EP-140a.3	Reporting data p. 78
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	EM-EP-140a.4	Reporting data p. 78

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Biodiversity impacts	Description of environmental management policies and practices for active sites	Discussion & analysis	EM-EP-160a.1	Environment p. 31 Land & wildlife p. 45 Cenovus will consider disclosing alignment with the International Finance Corporation's Performance Standards on Environmental and Social Sustainability in future reports.
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with Environmentally Sensitive Index rankings 8-10, and volume recovered	Number Barrels (bbls)	EM-EP-160a.2	Reporting data p. 77 Cenovus does not operate in the Arctic or have operations that impact shorelines.
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status with protected conservation status or endangered species habitat	Percentage (%)	EM-EP-160a.3	Reporting data p. 77 This metric has been modified to be calculated as a percentage based on surface lease vs. proved and probable reserves for calculation simplicity. Although caribou are not included in the International Union for Conservation of Nature Red List of Threatened Species that are classified as Critically Endangered or Endangered, they are listed as a threatened species under the Federal Government's Species at Risk Act.
Security, human rights & rights of Indigenous peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	EM-EP-210a.1	Omitted due to lack of applicability. Cenovus does not operate in areas of conflict.
	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	Percentage (%)	EM-EP-210a.2	Reporting data p. 79 This metric has been modified to be calculated as a percentage based on surface lease vs. proved and probable reserves for calculation simplicity. Cenovus defines Indigenous lands as crown-held lands where Indigenous peoples have the ability to practise Aboriginal and treaty rights, should they choose to do so. Our operations do not require Indigenous peoples to relocate, as the projects are not physically in the communities, but rather in areas where they can practise Aboriginal and treaty rights.
	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	Discussion & analysis	EM-EP-210a.3	Omitted due to lack of applicability. Cenovus does not operate in areas of conflict.
Community relations	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion & analysis	EM-EP-210b.1	Indigenous & community engagement p. 52 Cenovus will consider disclosing alignment with the International Finance Corporation's Performance Standards on Environmental and Social Sustainability in future reports.
	Number and duration of non-technical delays	Number Days	EM-EP-210b.2	Reporting data p. 79

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Workforce health & safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate, and (4) average hours of health, safety and emergency response training for (a) full-time employees, (b) contract employees and (c) short-service employees	Rate Hours (hrs)	EM-EP-320a.1	Reporting data p. 80 Cenovus defines a short service employee according to our New and/or Young Worker Standard - new to the worksite or new to the position at the existing worksite where unfamiliar tasks present new hazards or any worker who is under 25 years of age.
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion & analysis	EM-EP-320a.2	Culture of safety p. 61
Reserves valuation & capital expenditures	Sensitivity of hydrocarbon reserve levels to future price projections scenarios that account for a price on carbon emissions	Million barrels (MMbbls) Million standard cubic feet (MMscf)	EM-EP-420a.1	Evaluating disclosure for future reports.
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Tonnes (t) CO ₂ e	EM-EP-420a.2	Evaluating disclosure for future reports.
	Amount invested in renewable energy, revenue generated by renewable energy sales	Reporting currency	EM-EP-420a.3	Cenovus does not have direct investments in renewable energy, or revenue generated by renewable energy sales.
	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Discussion & analysis	EM-EP-420a.4	Our strategy p. 20
Business ethics & transparency	Percentage of (1) proved and (2) probable reserves in countries that have the lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	EM-EP-510a.1	Omitted due to lack of applicability. Cenovus does not operate in countries that have the lowest rankings in Transparency International's Corruption Perception Index.
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion & analysis	EM-EP-510a.2	Corporate governance p. 15
Management of the legal & regulatory environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion & analysis	EM-EP-530a.1	Risk management p. 23 Opportunities p. 28 Regulatory environment p. 32 Advocacy and memberships p. 17
Critical incident risk management	Process Safety Event (PSE) rates for Loss of Primary Containment of greater consequence (Tier 1)	Rate	EM-EP-540a.1	Reporting data p. 80
	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion & analysis	EM-EP-540a.2	Process safety and integrity management p. 64

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Company activity metrics	Production of: (1) oil, (2) natural gas, (3) synthetic oil and (4) synthetic gas	Barrels per day (bbls/d); Million standard cubic feet per day (MMscf/d)	EM-EP-000.A	Reporting data p. 74
	Number of offshore sites	Number	EM-EP-000.B	Cenovus does not have offshore operations.
	Number of terrestrial sites	Number	EM-EP-000.C	Company overview p. 8

APPENDIX

COMS TABLE

COMS applies to all aspects of Cenovus. This table below outlines how COMS specifically applies to health and safety and the environment. Visit our website for more on [COMS](#).

COMS elements	COMS descriptions	How COMS applies to health and safety	How COMS applies to environment
1. Leadership	Leaders establish a clear vision, set goals, targets and plans and ensure they are well communicated.	Integrating health and safety performance and improvements into our work at a leadership level.	Integrating environmental performance and improvements into our work starting at the leadership level.
2. People	The right people are in place to achieve those goals, they know what they are accountable for and take ownership.	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.	Maintaining a team of subject matter experts in environmental areas of focus. Managing environmental risks and performance through annual review, goal setting and business planning in alignment with our Sustainability Policy, ESG targets and Environmental Commitments.
3. Risk management	Operations risks and hazards are required to be managed in a consistent and systematic manner, in order to mitigate risks to acceptable levels and improve performance.	Providing a risk-based and systematic approach to engage leaders and the workforce in identifying assessing and managing, safety and environment concerns.	Identifying environmental and compliance-related risks and potential impacts at a company-wide and project-specific scale.
4. Risk mitigations	Key operational risks will have controls and mitigations implemented.	Understanding our health, safety and environment risks, we implement programs and measures to prevent incidents. Our standards also include mitigations, such as emergency response, should an incident occur.	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.
5. Knowledge sharing	Consistent application of controls across Cenovus means that staff can be properly trained and cross-functional knowledge and understanding shared.	Our staff is trained to manage our operations with competency in health & safety requirements. Procedures are in place to guide our workforce.	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.
6. Management of change	Processes must be clearly defined and controlled before change can be effectively managed.	Management of change processes ensure regulatory requirements are met and operational change is assessed and resulting health, safety and environmental hazards are managed.	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.
7. Continuous improvement	Measurable improvement can now be made on processes that are defined and controlled.	Evaluating our programs and processes, applying corrections and making improvements help mature our health, safety, environment and regulatory programs and maintain a learning culture.	Learning from previous incidents and implementing corrective actions to prevent them from occurring again.

ADVISORY

FORWARD-LOOKING INFORMATION

This report contains certain forward-looking statements and forward-looking information (collectively referred to as “forward-looking information”) within the meaning of applicable securities legislation, including the United States Private Securities Litigation Reform Act of 1995, about our current expectations, estimates and projections about the future, based on certain assumptions made by us in light of our experience and perception of historical trends. Although Cenovus believes that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied.

Forward-looking information in this report is identified by words such as “achieve”, “aim”, “ambition”, “anticipate”, “believe”, “can”, “committed”, “confident”, “consider”, “continue”, “develop”, “enhance”, “ensure”, “establish”, “estimate”, “expect”, “focus”, “goal”, “growing”, “guide”, “implementing”, “improve”, “increase”, “integrating”, “invest”, “maintain”, “opportunity”, “plan”, “position”, “potential”, “preserve”, “priority”, “reduce”, “remain”, “strategy”, “strive”, “target”, “utilize”, “viewpoint”, “will”, “would be” or similar words or expressions and includes suggestions of future outcomes, including, but not limited to, statements about: Cenovus’s commitment to doing our part in assisting in the transition to lower GHG intensity energy sources; our belief that striking the right balance among environmental, economic and social considerations creates long-term value and business resilience; significant challenges our nation will face as we recover from the COVID-19 pandemic and continue building towards a carbon future and Cenovus’s commitment to participating in solutions Canada will require to remain resilient; our commitment to maximizing value by sustainably developing our assets in a safe, innovative and cost-efficient manner, integrating ESG considerations into our business plan; our aim to maintain liquidity and preserve a resilient balance sheet while continuing safe and reliable operations; our belief that Cenovus is well positioned to be a part of the energy future; our confidence

that we can position ourselves to take advantage of opportunities that will help us adjust to any lower carbon future, including a 1.5 degree Celsius scenario aligned with the Paris Agreement; Cenovus’s 2030 climate change and GHG related targets and further ambitions, including our ability to lower GHG emissions on both an absolute basis and in terms of intensity in our operations and in respect of Cenovus’s target of reducing GHG emissions intensity by 30 percent and holding absolute emissions flat by 2030, and our ambition of reaching net zero emissions by 2050 (which is inherently less certain due to the longer time frame and certain factors outside of our control as outlined in more detail below); our expectations that our emissions and fresh water intensities will come down again as mandatory production curtailment is eased and we return to more normalized production levels; Cenovus’s ability to achieve our targets and ambitions while maintaining a low cost structure and focus on growing free funds flow and shareholder returns and its options and opportunities to achieve such targets and ambitions; ensuring continued progress towards achieving our targets is an important part of our business decision making by integrating our four ESG focus areas into our capital allocation framework; including ESG metrics in decision making helps ensure we assess a fulsome range of considerations to continue to create value and deliver on our commitments to shareholders, including building capacity to better manage climate-related risks; our ability to maintain low steam-to-oil ratios; the potential for future investments in initiatives that generate credible, additional and permanent offsets; estimates and expectations with respect to SAP technology and SDP; consideration of additional cogeneration plants; opportunities related to data analytics and artificial intelligence; goals and projections for future years and our plans and strategies to realize such projections; strategy and related milestones and schedules as they relate to our four ESG focus areas; references to Cenovus’s 2030 ESG targets and commitments and further ambitions, including the areas of focus which Cenovus will take to achieve such targets, commitments and ambitions and the impacts of working towards such targets, commitments and ambitions; the opportunities related to setting and achieving targets,

commitments and ambitions for ESG focus areas; the capital costs associated with achieving the ESG focus area targets, commitments and ambitions; laws and government policy, including those relating to climate change, and the impact thereof; our focus on reducing our cost structure and emissions intensity through technology and innovation; Cenovus’s plans with respect to continued Indigenous engagement, including our target to spend \$1.5 billion with Indigenous owned or operated businesses over the next 10 years and the expected benefits to neighbouring communities; building long-term capacity with local Indigenous businesses to ensure they are safe, reliable, and competitive; ensuring that our staff understand the history and culture of Indigenous peoples; Cenovus’s plans with respect to land restoration, including our commitment to reclaim 1,500 decommissioned well sites over the next 10 years and our expectation to restore up to 4,000 kilometers of linear land disturbances and plant up to five million trees; our focus on reducing all spills at our facilities; growing our capacity in areas of safety; the impact of the Alberta government’s cap on oil sands emissions on our existing and future oil sands projects; our commitment to authorize and fund changes with the express purpose to prevent potential process safety events; effective risk management; and our expectations regarding emissions compliance costs.

Developing forward-looking information involves reliance on a number of assumptions and other factors and consideration of certain risks and uncertainties, some of which are specific to Cenovus and others that apply to the industry generally. The factors or assumptions on which our forward-looking information is based include the following:

In respect of our 2030 GHG targets, we have assumed: Cenovus’s ability to successfully pursue net present value (NPV) positive capital investment opportunities and other operational measures, including the successful application to Cenovus’s current and future operations of existing technology and new technology that is expected to be commercial in the near term; the successful implementation of our proposed or potential strategies and plans

to reduce emissions; projected capital investment levels, the flexibility of our capital spending plans and the associated source of funding; and Cenovus's ability to otherwise access and implement all technology necessary to achieve our 2030 GHG targets, the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results.

In respect of our 2050 net zero GHG ambition, we have assumed the same factors as in respect of our 2030 GHG targets applied over a longer term and will also rely on certain other factors and events coming to fruition, which are, to a large extent, outside of our control and thus less certain than those assumptions and factors that relate solely to our 2030 GHG targets, which includes continued development of commercial feasible carbon capture, utilization and storage (CCUS) technology and its future economic viability in Alberta; additional infrastructure to be built by industry or government sources to support CCUS and other technologies; and collaboration with partners to fund research and development (R&D) into cost improvements and novel approaches to carbon capture.

In addition, and generally in respect of the targets, commitments, ambitions, strategy and related milestones and schedules as they relate to our four ESG focus areas and the other forward-looking information in this report, we have assumed: by integrating our four ESG focus areas into our capital allocation framework, we ensure continued progress towards achieving our ESG targets; including ESG metrics in decision making helps ensure we assess a fulsome range of considerations to continue to create value and deliver on our commitments to shareholders; Cenovus's ability to successfully pursue NPV-positive capital investment opportunities and other operational measures, including the successful application to Cenovus's current and future operations of existing technology and new technology that is expected to be commercial in the near term; projected capital investment levels, the flexibility of our capital spending plans and the associated source of funding; Cenovus's ability to otherwise access and implement all technology necessary to achieve our targets, commitments and ambitions, the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results; continuing collaboration with certain regulatory and environmental groups; the accuracy of reserves

and resources estimates; commodity prices; demand levels for oil, natural gas, gasoline, diesel and other energy sources; the availability of transportation for our products; certain levels of future energy use and consumption of oil and gas; Cenovus's carbon price outlook; the performance of assets and equipment; applicable laws and government policies, including royalty rates, and laws and policies relating to climate change; future production rates; the Alberta government's cap on oil sands emissions will not adversely affect our existing or future oil sands projects; Cenovus's ability to provide effective training on the history and culture of Indigenous peoples; Cenovus's ability to grow its capacity in areas of safety to effectively prevent potential process safety events; the sufficiency of budgeted capital expenditures in carrying out planned activities; the receipt, in a timely manner, of regulatory and partner approvals, as applicable; Cenovus's ability to generate sufficient cash flow to meet current and future obligations; estimated abandonment and reclamation costs, including associated levies and regulations applicable thereto; Cenovus's ability to, either internally or by working with external partners, develop cost effective technologies to reduce fresh water use and/or reduce overall steam requirements; the accuracy of third-party data upon which we rely; the availability and cost of labour and services; Cenovus's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the availability of Indigenous-owned or operated businesses; Cenovus's ability to access sufficient capital to pursue sustainability and development plans; Cenovus's ability to implement capital projects or stages thereof in a successful and timely manner; and other risks and uncertainties described from time to time in the filings Cenovus makes with securities regulatory authorities.

The risk factors and uncertainties that could cause our actual results to differ materially, include: (i) impediments to Cenovus meeting our 2030 climate and GHG emissions targets and further ambitions, including: the effects of the implementation of cogeneration and potential increases in our steam-to-oil ratio on our overall emissions; Cenovus's ability to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results, including in respect of climate and GHG emissions targets and ambitions, the commercial viability and scalability of emission reduction strategies and related technology and products; the development and execution of implementing strategies to meet climate and GHG emissions targets and ambitions, including uncertainty

over solvent supply and transportation, reservoir performance and capital spending estimates; uncertainty regarding the status of offsets, including due to cogeneration and renewable energy generation, recognition under future government policies and by ESG rating organizations and the measurability of offsets to count as emissions reductions; uncertainty in respect of CCUS regarding the eligibility of the credit generating pathways and the volatility of the price-signal in the credit market and the durability of the related policy through government changes; and (ii) impediments generally to our business and in respect of Cenovus meeting its targets, commitments, ambitions, strategy and related milestones and schedules as they relate to our four ESG focus areas and the other forward-looking information in this report, including: despite integrating our four ESG focus areas into our capital allocation framework, progress towards achieving our targets does not continue; increased operating, capital and compliance costs; increasing stakeholder consideration of ESG factors and risks, including among credit rating agencies, lenders and investors, which may impact Cenovus's ability to access capital required to finance growth and sustaining capital expenditures; our ability to lower emissions and fresh water intensity levels after production returns to more normalized levels following the lifting of mandatory production curtailments imposed by the Alberta government; the Alberta government's cap on oil sands emissions adversely affecting Cenovus's existing or future oil sands projects; our ability to provide effective training on the history and culture of Indigenous peoples; our ability to grow capacity in areas of safety to effectively prevent potential process safety events; our ability to receive necessary regulatory approvals in a timely manner; reputational risk, including among stakeholders and government; maintenance of key relationships with government and other regulatory bodies; risks associated with technology and its application to Cenovus's business; volatility of and other assumptions regarding commodity prices; market competition, including from alternative energy sources; potential failure of products to achieve or maintain market acceptance; risks associated with fossil fuel industry reputation and litigation related thereto; changes in general economic, market and business conditions; the effectiveness of Cenovus's risk management program; Cenovus's ability to develop, access or implement some or all of the technology necessary to efficiently and effectively achieve expected future results, including on a commercial scale; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation

incidents and other accidents or similar events; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; availability of, and our ability to attract and retain, critical talent; our possible failure to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; risks associated with climate change and our assumptions relating thereto; changes in the regulatory framework in any of the locations in which we operate, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon, climate change and other laws or regulations, or changes to the interpretation of such laws and regulations, as adopted or proposed, the impact thereof and the costs associated with compliance; the political and economic conditions in the countries in which we operate or supply; and the occurrence of unexpected events such as pandemic, war, terrorist threats and the instability resulting therefrom.

In addition, there are risks that the effect of actions taken by us in implementing targets, commitments and ambitions for ESG focus areas may have a negative impact on our existing business, growth plans and future results from operations.

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 Management's Discussion and Analysis for the period ended December 31, 2018, available on SEDAR at [sedar.com](https://www.sedar.com), on EDGAR at [sec.gov](https://www.sec.gov) and on Cenovus's website at [cenovus.com](https://www.cenovus.com). Cenovus undertakes no obligation to update or revise any forward-looking information except as required by law.

This report considers four future demand scenarios for oil. Each scenario assumes the following: a global level of demand for oil; a price of oil; carbon prices; the applicability and level of clean fuel standards compliance costs; a level of adoption of electric vehicles; a global level of demand for chemicals and plastics; a global level of adoption of alternative fuels for aviation and marine transport; advances in oil production technology; transportation costs and electrification potential in domestic and industrial sectors; that

various GHG-reduction levers will be available to Cenovus that will reduce emissions without disrupting operations and be net present value positive; that the achievement of Cenovus's 2030 GHG emissions targets will improve the company's competitive positioning in three of the demand scenarios (reference case, accelerated EV and accelerated transition); and Cenovus will be able to monitor key signposts and update and refine its business plan to take advantage of opportunities in order to adjust to any lower carbon future including a 1.5 degree Celsius scenario aligned with the Paris Agreement.

All forecasts related to the scenario analyses contained in this report are made as of the date of the report based on currently available information. It is impossible to predict precisely how the future will unfold and as such, each scenario is inherently uncertain. Our assumptions may prove to be incorrect or inadequate. Events or factors currently unknown to us could materialize and materially affect the outcome of a particular scenario or lead to a scenario not considered, which scenario may adversely affect our operations and financial condition.



Ernst & Young LLP
 Calgary City Centre
 2200 – 215 2nd Street SW
 Calgary, Alberta
 Canada T2P 1M4

Tel: +1 403-290-4100
 Web: www.ey.com

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’s 2019 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, 2019:

- ▶ Direct Greenhouse Gas (GHG) emissions (Company-wide and Oil Sands) (in million tCO₂e)
- ▶ Direct GHG emissions intensity (Company-wide and Oil Sands) (in tCO₂e/m³OE)
- ▶ Indirect GHG emissions (Company-wide and Oil Sands) (in million tCO₂e)
- ▶ Indirect GHG emissions intensity (Company-wide and Oil Sands) (in tCO₂e/m³OE)

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, 2019. Unless otherwise noted, the indicators were assured on a company-wide basis.

- ▶ Indigenous Business Spend (Company-wide) in million CAD
- ▶ Well site reclamation certificated received (Company-wide)
- ▶ Caribou habitat restoration ratio (Company-wide) (total area under active restoration over total area leased in hectares)
- ▶ Non-saline water use (Company-wide and Oil Sands) (in 10³m³)
- ▶ Non-saline water use intensity (Company-wide and Oil Sands) (in bbls/BOE)

Criteria

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

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 collection, quantification and presentation of the performance indicators and the criteria used in determining that the information is appropriate for the purpose of disclosure 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 four 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 five 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.
- ▶ 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

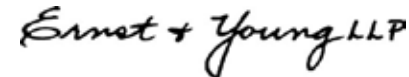
In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).

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
Calgary, Canada

30 June 2020



cenovus

E N E R G Y

✉ sustainability@cenovus.com

💻 cenovus.com

☎ 1-877-766-2066
(Toll-free in Canada & U.S.)

📍 225 6 Ave SW PO Box 766
Calgary, AB T2P 0M5 Canada

