2021 ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

cenovus ENERGY

CONTENTS

Land Acknowledgment

In the spirit of respect, reciprocity and truth, we acknowledge we work on the traditional lands of multiple Indigenous Peoples in our many operating areas. In Canada, this includes First Nations, Métis and Inuit, while in the United States this includes tribal nations. We acknowledge and thank the diverse Indigenous Peoples who live on and steward this land, and we honour and celebrate this territory.

1 EXECUTIVE SUMMARY

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OUR ESG TARGETS

CLIMATE & GHG EMISSIONS

Reduce absolute GHG emissions by **35%** by year-end 2035[1].

Reach long-term ambition for **net zero emissions** by 2050.

WATER STEWARDSHIP

Reduce fresh water intensity by **20%** in oil sands and in thermal operations by year-end 2030.

BIODIVERSITY

Reclaim **3,000** decommissioned well sites by year-end 2025.

Restore more **habitat** than we use in the Cold Lake caribou range by year-end 2030.

INDIGENOUS RECONCILIATION

Achieve a minimum of **$1.2 billion** of spending with Indigenous businesses between 2019 and year-end 2025.

Attain Progressive Aboriginal Relations **gold certification** from the Canadian Council for Aboriginal Business by year-end 2025.

INCLUSION & DIVERSITY

Increase women in leadership roles[2] to **30%** by year-end 2030.

Conduct a self-identification survey by year-end 2022; add **diversity target beyond gender** in 2023.

Aspire to have at least **40%** representation from designated groups[3] among non-management directors, including at least 30% women, by year-end 2025.

MESSAGE FROM OUR PRESIDENT & CHIEF EXECUTIVE OFFICER

^ *Alex Pourbaix*

A SUSTAINABILITY LEADER WITH AMBITIOUS TARGETS

At Cenovus, our ambition to be an environmental, social and governance (ESG) leader is a commitment to continued progress.

In 2021, after combining with Husky Energy, we established ambitious new ESG targets and are taking action on meeting them. Across the business, teams are working to reduce our greenhouse gas (GHG) emissions, water use and land footprint, further support Indigenous reconciliation, invest in the communities where we operate and continue to build a workplace that embraces inclusion and diversity.

We detail the measurable progress made towards our ESG targets in this report, outline where we need to do better and look ahead to what's next. In 2021 we spent more than $200 million with Indigenous businesses in the communities near our operations, and reclaimed a significant number of well sites. We advanced several planning and design studies for emissions reduction projects, including the feasibility of a carbon capture facility at our Christina Lake oil sands asset.

However, to achieve our emissions reduction target and ambition, we also need to work together with multiple sectors and stakeholders, including through the Oil Sands Pathways to Net Zero Alliance.

This unprecedented collaboration, which brings together Canada's six largest oil sands producers, is working collectively with the federal and Alberta governments to achieve net zero GHG emissions from the companies' oil sands operations by 2050. The participation of our industry is critical to helping Canada meet its climate goals, including its Paris Agreement commitments and 2050 net zero aspirations.

Our industry is also at the centre of a renewed focus on energy security. Russia's invasion of Ukraine at the beginning of 2022 has demonstrated that geopolitics can shift outlooks and sentiment about oil and gas quickly and dramatically. Along with the enormous human tragedy and destruction in Ukraine, the conflict has rippled through global energy markets. In the middle of this global turbulence, Cenovus remains committed to continuing to advance our sustainability performance. Our company and industry are working to reduce emissions so we can help ensure the reliable, affordable and available energy supply needed to meet demand in a lower-carbon environment. Our goal remains making Canadian oil production the most sustainable in the world.

Fundamental to our sustainability journey is that we value safety above all else. This is reinforced in every decision we make. We want everyone – employees, contractors and suppliers – to return home safe to their families at the end of every day. We also know a good safety culture translates to reliable operations and helps us attract the best people.

In a challenging and demanding time, as we integrated Husky and Cenovus in the midst of a pandemic and volatile geopolitical events, our staff continued to perform beyond expectations, including in areas related to our ESG performance. Together, we've shown what our teams and integrated business model are capable of when our sustainability ambitions drive action.

Reaching our ESG targets and becoming the supplier of choice for responsibly produced energy will take continued commitment across our company, a resilient business strategy and a clear focus on sustainability. We'll draw on these principles as we work toward our sustainability goals, add value for investors and pursue a path to achieve our long-term net zero ambition.

ALEX POURBAIX
President & Chief Executive Officer

OUR 2021 ESG PERFORMANCE

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BIODIVERSITY

Reclaimed
421
decommissioned well sites

Reached
41%
land restoration ratio in the Cold Lake caribou range[1]

WATER STEWARDSHIP

Oil sands fresh water intensity
0.12
bbls water/BOE

Thermal fresh water intensity
3.71
bbls water/BOE

CLIMATE & GHG EMISSIONS

Absolute emissions[2]
23.1 MMt

INDIGENOUS RECONCILIATION

Spent **$215** million with Indigenous businesses

Completed[3]
Phase 1
of 3 towards attaining Progressive Aboriginal Relations gold certification from the Canadian Council for Aboriginal Business

INCLUSION & DIVERSITY

Advanced representation of women in leadership[4] to
26%

Reported **36%**
representation from designated groups among non-management directors[5]

View Footnotes

PROGRESS AGAINST OUR TARGETS

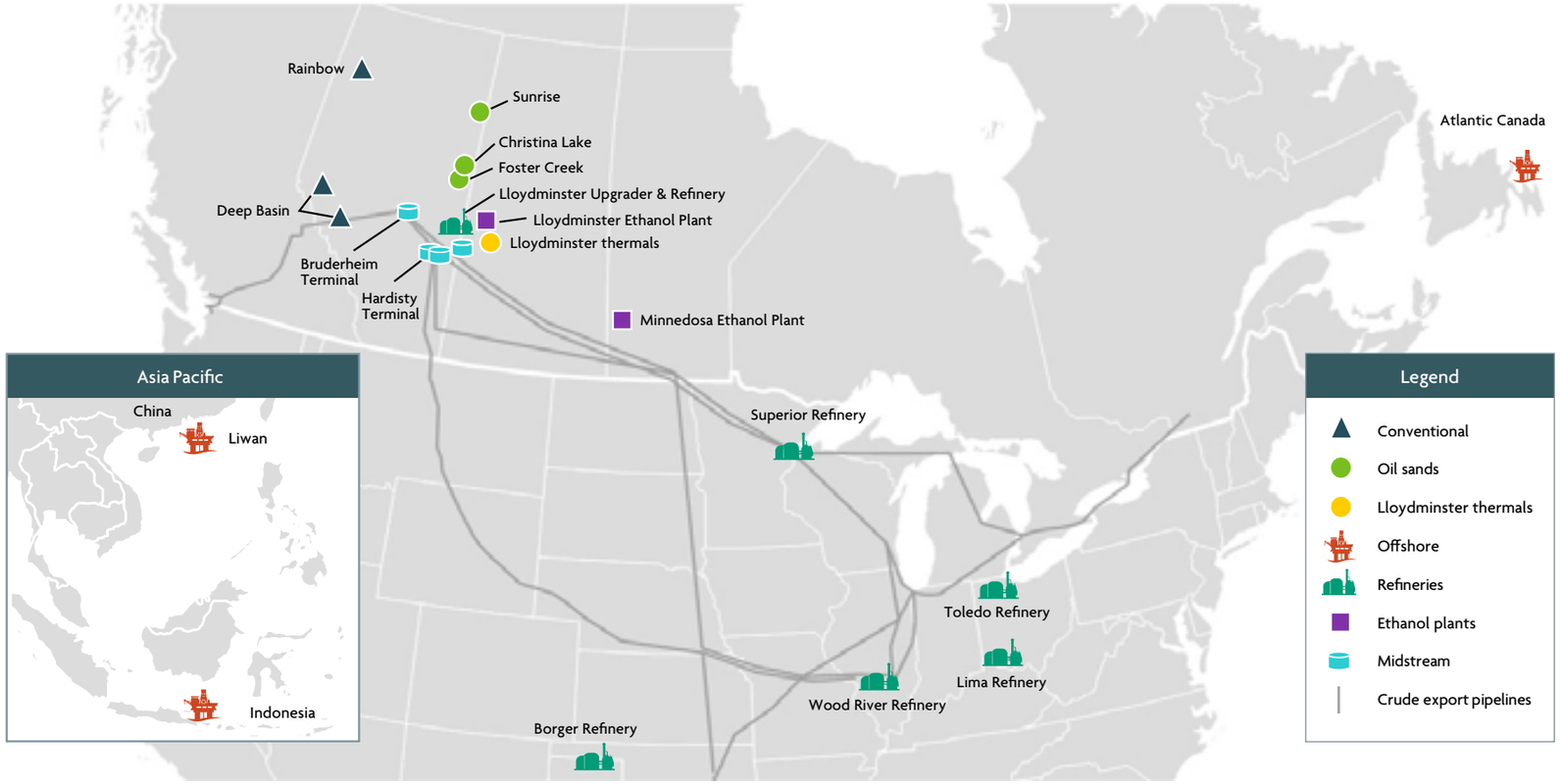
Focus area	Unit of measure	Target	% toward target	2021	2020	2019
Climate & GHG emissions						
Reduce absolute GHG emissions by 35% by year-end 2035[1], on our way to our ambition of net zero emissions by 2050	MMt CO_2e	15.5	10	23.1	23.1	23.9
Water stewardship						
Reduce fresh water intensity by 20% in oil sands by year-end 2030	bbls water/BOE	0.12	100	0.12	0.15	0.15
Reduce fresh water intensity by 20% in thermal operations by year-end 2030	bbls water/BOE	2.9	0	3.7	3.8	3.6
Biodiversity						
Reclaim 3,000 decommissioned well sites by year-end 2025	Number	3,000	49	421	473	561
Restore more habitat than we use in the Cold Lake caribou range by year-end 2030	Ratio	>1	41	0.41	0.34	0.34
Indigenous reconciliation						
Achieve a minimum of $1.2 billion of spending with Indigenous businesses between 2019 and year-end 2025	$MM	1,200	52	215	185	229
Attain gold Progressive Aboriginal Relations (PAR) certification from the Canadian Council for Aboriginal Business by year-end 2025	-	gold	33	Phase 1 complete	-	-
Inclusion & diversity						
Increase women in leadership roles to 30% by year-end 2030[2]	Percentage	30	87	26	25	24
Conduct a self-identification survey by year-end 2022; add diversity target beyond gender in 2023	-	-	-	In progress	-	-
Aspire to have at least 40% representation from designated groups[3] among non-management directors of the Board	Percentage	40	90	36	-	-
Including at least 30% women, by year-end 2025[4]	Percentage	30	90	27	-	-

WHO WE ARE

Cenovus Energy Inc. is an integrated energy company. Our upstream operations include oil sands projects in northern Alberta, thermal and conventional crude oil and natural gas projects across Western Canada, crude oil production offshore Newfoundland and Labrador, and natural gas and liquids production offshore China and Indonesia.

Our downstream business includes upgrading, refining and marketing operations in Canada and the United States. We are focused on managing our assets in a safe, innovative and cost-efficient manner, integrating ESG considerations into our business plans. Cenovus common shares and warrants are listed on the Toronto and New York stock exchanges, and the company's preferred shares are listed on the Toronto Stock Exchange. For more information, visit cenovus.com.

We operate in Canada, the United States and the Asia Pacific region.



AT A GLANCE

2021 production	792,000 BOE/d
Upgrading & refining capacity	660,000 bbls/d
2021 proved plus probable reserves	8.3 billion BOE
Reserves life index	~29 years

2 OVERVIEW & APPROACH

^ *Rhona DelFrari*

Q&A WITH OUR CHIEF SUSTAINABILITY OFFICER

Q: In 2021, Cenovus announced ambitious new ESG targets. What has the company done since then to advance those targets and measure progress?

A: When we shared our new ESG targets, we were clear that while they are ambitious, we believe they are also achievable if we set and follow plans to continue to improve our ESG performance. Across the business we've been working to identify milestones for the targets and sharing our progress. We're still in early days, but we're starting to see incremental results. For example, with our focus on engaging Indigenous communities near our operations, we're more than halfway towards our goal to spend a minimum of $1.2 billion with Indigenous businesses between 2019 and year-end 2025 and are assessing new opportunities in areas of our operations that haven't used Indigenous businesses to date.

Our net equity scope 1 and 2 absolute emissions remained flat year-over-year, and are down slightly from 2019. We remain committed to our target to reduce absolute emissions by 35% by year-end 2035, on a net equity basis. We have several emissions reduction projects underway, including continuing to operate our two existing carbon capture projects at our Lloydminster Ethanol Plant and the Pikes Peak South thermal project, and expanding a successful pilot that screens for methane emissions using a plane. We also advanced several emissions-related pilot projects and developed feasibility studies for the carbon capture projects currently embedded in our five-year business plan, at our Minnedosa Ethanol Plant, Elmworth gas plant and Lloydminster Upgrader. In our inclusion & diversity focus area, we've increased the number of women in leadership roles at Cenovus to 26% from 24% in 2019. But there's more work to do.

Q: What internal measures has Cenovus put in place to ensure progress against its ESG targets?

A: We launched our new ESG targets in December 2021 with support and input from teams across the organization, building on company-wide enthusiasm to advance sustainability efforts already underway. Since then, we have integrated our five ESG focus areas into our capital allocation framework. This ensures continued progress towards achieving our targets is an important part of our business decision making, alongside other key investment criteria and priorities. We have also developed some key accountabilities for where progress on those targets sits within the organization, and how various teams will work together to achieve our goals.

We've shared resources with the entire company about how to support our ESG performance. For example, business units can use our new GHG investment appraisal manual to forecast GHG emissions and carbon tax implications for existing and new projects. For water stewardship, we have provided guidance for operations leaders on the process and criteria for establishing water management plans. We've shared guidance for teams on how to work together to achieve our target to hire Indigenous businesses. And our internal ESG performance dashboard tracks progress on each of our targets. All of these efforts will help ensure progress towards targets is a true team effort.

Q: Cenovus has set targets for reducing absolute scope 1 and 2 emissions. What approach are you taking to address scope 3 emissions?

A: As our industry meets the challenge of reducing its own emissions, we recognize that we also face scrutiny over doing more to address emissions from how our products are used. In 2020, we began to report on our estimated scope 3 emissions – the emissions that come from the end use of our products. Reporting on emissions resulting from activities outside of our control is complicated as it involves multiple assumptions and is less accurate than reporting on emissions from our own operations, where we can verify the data. To ensure we are methodical in the process, we provide an estimate of our scope 3 emissions using global guidance from Ipieca and the GHG Protocol.

As Cenovus assesses scope 3 emissions associated with our products, we have identified opportunities for reducing those emissions, such as increasing production of low and zero-emitting energy products including our asphalt and ethanol production. We are also evaluating other business opportunities to reduce scope 3 emissions. If we were to proceed with some of these opportunities, they would need to be complementary to our existing oil and gas business and aligned with our core competencies, as we work to reduce our own emissions and remain competitive at the same time.

Collaboration and innovation will be key. We have multiple partnerships, including clean-tech venture Evok Innovations, the Clean Resource Innovation Network (CRIN) and carbon capture technology leader Svante, all working to advance innovation in the low-carbon technology space. For Canada to achieve its climate ambitions and the goals of the Paris Agreement, changes to the way people use energy will be required alongside the development of low-carbon, reliable and affordable energy resources. All credible, independent forecasts indicate hydrocarbons will continue to be a part of the global energy mix for many decades, as a transportation fuel and as a building block for products we use every day such as smartphones, contact lenses and even key components of electric vehicles. So it's critical we continue to responsibly produce and deliver our oil and natural gas while making every effort to lower our emissions.

We **energize** the world to make people's lives better.

OUR VALUES

Q: What has Cenovus done since combining with Husky to enhance its social investment strategy?

A: An effort early in 2022 that I'm enormously proud of was launching Cenovus's new social investment strategy, which puts people at the heart of our efforts to share the success of our business.

The strategy aligns with our purpose and values, commitment to inclusion and diversity, and ESG and business plan priorities. It consists of four priority areas: Indigenous reconciliation, protected planet, future-ready youth and resilient communities. As a combined company with an increased commitment to focus on important social issues and an expanded community footprint, we increased our social investments in 2021 to about $19.3 million from $14.4 million in 2020.

Through our *Cenovus Cares* employee giving and volunteering program, our employees donated an additional $2.25 million to charities of their choice through giving and volunteering efforts, which was matched by Cenovus. Our "mental health care for all" double match campaign, for example, raised nearly $60,000 to support causes providing mental health services and resources to those in need, particularly important as the pandemic stretched into its second year. Through an ongoing employee giving campaign in 2022, staff were encouraged to donate to the funds set up by the Canadian Red Cross and American National Red Cross to support immediate and ongoing relief efforts, and critical humanitarian activities, in Ukraine with matching funds from Cenovus.

Q: Cenovus obtains third-party assurance for many of its ESG indicators. What value does this add to your ESG reporting?

A: We have always pursued independent assurance in our ESG reporting and investors have emphasized to us the importance of that approach. For Cenovus, the assurance process helps build trust, ensures rigorous third-party scrutiny of our reporting and underlines our commitment to transparency as a strong sustainability performer. There has been tremendous growth in the amount of ESG disclosure across all sectors in recent years, yet the lack of global standards and regulations have often led to skepticism about what's being reported. External assurance of climate and other metrics is key to ensuring the integrity of our ESG reporting. In this 2021 ESG Report, EY provided independent reasonable or limited assurances on our ESG indicators as outlined in the independent assurance statement.

Q: Cenovus is a founding member of the Pathways Alliance, which is committed to reducing GHG emissions from the companies' oil sands operations to net zero by 2050. How does the work Cenovus is doing to achieve its emissions target and ambition connect with the work the Pathways Alliance is doing?

A: While Cenovus continues to reduce its own GHG emissions and apply a number of innovative technologies, we know that to progress this work with urgency and in the most efficient manner, we need to collaborate. The Pathways Alliance gives us the opportunity to share with our peers what we have learned about emissions reduction techniques and receive information from them about their advancements, some of which we may be able to implement. It also gives us the opportunity to work together with our peers to accelerate new technologies to commercialization in a more cost-effective and efficient manner than doing it on our own.

In addition, working together as a collective makes collaboration with governments, technology developers and others more effective. The Pathways Alliance foundational project is a large-scale carbon pipeline system that is expected to have the capacity to gather CO_2 captured at more than 20 oil sands operations, and possibly other facilities in the region, and transport it to be stored permanently deep underground in geological formations in the Cold Lake region of central Alberta. The investment tax credit for carbon capture projects announced in the Canadian federal government's budget in April 2022 is a positive step forward in our collaborative efforts to work with various levels of government to help Canada achieve its climate goals. In addition, the Pathways Alliance is looking at the potential of implementing process improvements such as the enhanced use of solvents (lighter hydrocarbons) in extraction and small modular nuclear reactors among several other techniques to reduce emissions.

RHONA DELFRARI
Chief Sustainability Officer & SVP, Stakeholder Engagement

REPORTING APPROACH

Scope and boundary

This 2021 ESG report communicates our ESG performance for the period January 1 to December 31, 2021 and includes references to relevant actions undertaken by Cenovus in the first part of 2022.

Our data was collected and reported for all facilities operated by Cenovus throughout 2021 (reported on a gross operated basis and not adjusted for ownership share) and does not include joint venture interests operated by other organizations in 2021, unless noted. The exceptions are our air emissions, energy and activity metrics data, which are reported for the assets Cenovus operated on December 31, 2021. We are reporting our scope 1 and 2 emissions on both a gross operated and, to support our GHG reduction target and ambition, net equity basis. Scope 3 emissions are also disclosed on a net equity basis.

All financial data are reported in Canadian dollars and exclude discontinued operations. Details of the company's intercorporate relationships are provided in Cenovus's 2021 Annual Information Form.

Reportable segments and reporting frameworks

Our reporting is guided by principles of accuracy, balance, clarity, comparability, reliability and timeliness. Cenovus monitors the development of external ESG reporting frameworks and supports efforts to reach consensus and standardize key performance indicators.

For financial reporting purposes, Cenovus has identified three reportable segments, which can be found in our 2021 Management's Discussion and Analysis. The Upstream segment includes Oil Sands, Conventional and Offshore; the Downstream segment includes Canadian Manufacturing, U.S. Manufacturing and Retail; and the Corporate and Eliminations segment captures company-wide costs and activity. However, for the purposes of this report, we have aligned our business segments with the Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) standards most relevant to our operations.

All partner-operated assets are excluded from our reported metrics, except where we report scope 1, 2 and 3 emissions on a net equity basis. These partner-operated assets are the gas plant at the Liwan Gas Project offshore China and the BD Project offshore Indonesia, both operated by China National Offshore Oil Corporation (CNOOC), the Terra Nova oil field in the Atlantic region operated by Suncor Energy Inc., the Wood River and Borger refineries operated by Phillips 66, the Toledo Refinery operated by BP Products North America Inc., and the Rainbow Lake cogeneration plant, operated by Heartland Generation.

VALUE REPORTING FOUNDATION
SASB STANDARDS

Our alignment with SASB standards, unless otherwise noted, is as follows:

Extractives & Minerals Processing – Oil & Gas – Exploration & Production (E&P) Standard

- Onshore includes the development and production of heavy oil and bitumen in northern Alberta including the Foster Creek, Christina Lake, Sunrise and Tucker oil sands projects, as well as emerging assets that are not yet producing. It also includes the Lloydminster thermal projects in Saskatchewan, conventional heavy oil assets in Alberta and Saskatchewan, and conventional oil and natural gas production, including processing operations, in the Deep Basin and other parts of Western Canada.
- Offshore includes the offshore operations, exploration and development activities in Atlantic Canada and the drilling and completions operations in the Asia Pacific regions of China and Indonesia.

Extractives & Minerals Processing – Oil & Gas – Midstream Standard

- The crude-by-rail terminal in Bruderheim, Alberta.
- Pipeline terminals in Cold Lake, Hardisty and Lloydminster, Alberta.

Extractives & Minerals Processing – Oil & Gas – Refining & Marketing (R&M) Standard

- Canadian Manufacturing, which includes our upgrader and asphalt refinery in Lloydminster on the Alberta-Saskatchewan border.
- U.S. Manufacturing, which includes the refineries in Lima, Ohio and Superior, Wisconsin. The Superior Refinery is expected to resume operations in the first quarter of 2023, after a rebuild is completed.
- Retail, which includes the Canadian retail, commercial and wholesale channels.

Resource Transformation – Chemicals Standard

- The ethanol plants in Lloydminster, Saskatchewan and Minnedosa, Manitoba.

ipieca Advancing environmental and social performance across the energy transition

Ipieca

Where there is no guidance within the SASB standards, we leverage the sustainability reporting guidance for the oil and gas industry published by Ipieca. As active members of Ipieca, we participate on several committees with peers to monitor reporting trends and improve our environmental and social performance.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD

We started to align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2018 and officially became a supporter in September 2020, further demonstrating our commitment to financial climate-related disclosure. Our report structure follows TCFD's disclosure framework by including governance, strategy, risk management, and metrics and targets, within each of our five ESG focus areas, providing reporting consistency and transparency for our investors and other stakeholders.

United Nations' Sustainable Development Goals

We recognize businesses have a critical role in providing solutions that contribute to "a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere," as directed by the United Nations' (UN) 2030 Agenda for Sustainable Development. Although our business activities contribute to many of the UN's Sustainable Development Goals (SDGs), throughout this report we showcase those most aligned with our ESG focus areas by depicting the applicable SDG in each section. Details outlining how our actions and progress support the relevant SDGs are reflected on our website under UN Sustainable Development Goals. We will continue to evaluate how we can further incorporate the SDGs into our business activities over time, along with enhancing our role in contributing to this global agenda.

Third-party assurance

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

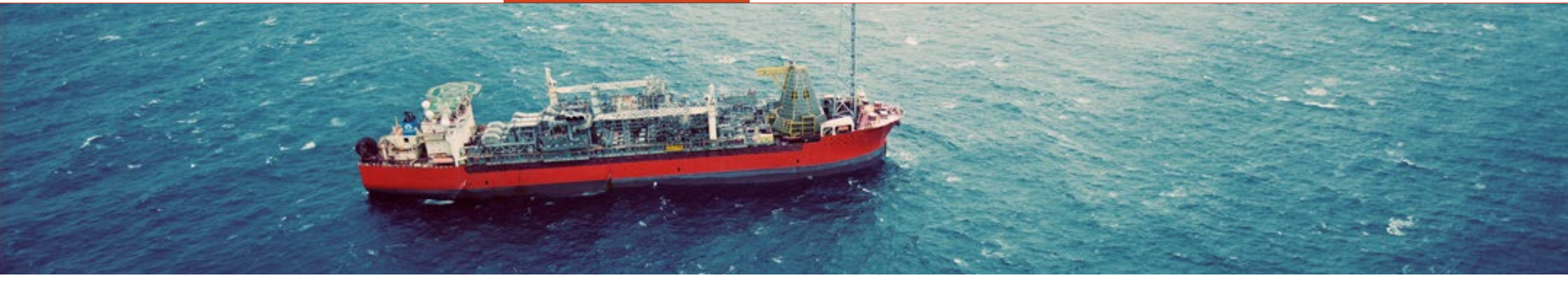
For this report, EY provided assurances on 22 indicators including reasonable assurance over gross operated scope 1 and 2 GHG emissions. Refer to the independent assurance statement on p. 99. Through our membership in London Benchmarking Group Canada, we undergo a yearly audit of our social investment portfolio to receive a reasonable level of assurance. The audit validates the total value of our social investment cash and in-kind contributions, and employee volunteer time during working hours.

ESG materiality & target setting

Cenovus's combination with Husky Energy, which closed on January 1, 2021, significantly changed our portfolio. In early 2021 we conducted a detailed ESG materiality assessment to identify the focus areas with the most impact to our combined business and considered the most important by our stakeholders. The assessment also factored in the external ESG trends of greatest significance to our industry. This approach helps us prioritize and allocate resources and focus our ESG disclosure.

Following the materiality assessment, we established targets in each of our focus areas that we believe are meaningful and ambitious yet achievable. These targets and ambition have been endorsed by the executive leadership team and Board of Directors. As the world transitions to a lower-carbon future and our investors increasingly seek a balance between strong financial, operational and ESG performance, our targets set out how we aim to improve our ESG performance and help our business remain resilient over the longer term. To learn more about our materiality assessment and target setting process, refer to our 2020 ESG Report.

We are transparent in reporting our strategy, performance and progress against our targets through annual disclosure. We remain committed to delivering strong business results and long-term financial resilience while operating in a responsible and respectful way.



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:
Board oversight p. 80
Management's role in ESG governance p. 81
Governance p. 54

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:
Risks & opportunities p. 45-50
Strategy p. 37-39
Scenario analysis p. 51-53

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. 83
Risks p. 45-48

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 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:
ESG data p. 19-22
Climate and GHG emissions progress p. 36
Metrics and targets p. 37

3 ESG DATA

ESG DATA

A detailed summary of the reporting boundaries can be found in the Reporting Approach section of this report. We have included pro forma data for certain safety metrics, and metrics that support our ESG targets. We include 2019 pro forma data to reflect the starting year for many of our ESG targets, and 2020 pro forma data to provide a comparable year-over-year analysis of our performance. Historical five-year data are otherwise legacy Cenovus performance only.

			PRO FORMA		LEGACY CENOVUS				GLOBAL FRAMEWORK INDICATORS		
KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	2020	2019	2020	2019	2018	2017	SASB	IPIECA	LEVEL OF ASSURANCE
SAFETY & ASSET INTEGRITY											
Total recordable incident rate (TRIR) (SA-1) (SA-2)	Rate	**0.28**	0.32	0.42	0.25	0.30	0.25	0.36	EM-EP-320a.1; EM-RM-320a.1; RT-CH-320.a.1		Limited
Employees	Rate	**0.16**	0.35	0.23	0.33	0.15	0.18	0.15	EM-EP-320a.1; EM-RM-320a.1; RT-CH-320.a.1		
Contractors	Rate	**0.33**	0.30	0.49	0.22	0.35	0.26	0.43	EM-EP-320a.1; EM-RM-320a.1; RT-CH-320.a.1		
Lost time incident (LTI) frequency rate (SA-2)	Rate	**0.03**	0.05	0.05	0.02	NPR	NPR	NPR		SHS-3	Limited
Employees	Rate	**0.01**	0.07	0.08	0	NPR	NPR	NPR		SHS-3	
Contractors	Rate	**0.03**	0.05	0.05	0.03	NPR	NPR	NPR		SHS-3	
Near miss frequency rate (NMFR) (SA-2)	Rate	**5.86**	-	-	NPR	NPR	NPR	NPR	EM-RM-320a.1		
Employees	Rate	**14.16**	-	-	NPR	NPR	NPR	NPR	EM-RM-320a.1		
Contractors	Rate	**2.63**	-	-	NPR	NPR	NPR	NPR	EM-RM-320a.1		
Fatalities (SA-3)	Number	**0**	0	0	0	0	1	0	EM-EP-320a.1; EM-RM-320a.1; RT-CH-320.a.1		Limited
Employees	Number	**0**	0	0	0	0	0	0	EM-EP-320a.1; EM-RM-320a.1; RT-CH-320.a.1		
Contractors	Number	**0**	0	0	0	0	1	0	EM-EP-320a.1; EM-RM-320a.1; RT-CH-320.a.1		
Process safety events (PSE) (SA-3)	Number	**20**	21	33	2	8	16	12			Limited
Tier 1	Number	**9**	8	6	1	1	6	4	EM-EP-540a.1; EM-RM-540a.1; RT-CH-540a.1		Limited
Tier 2 (SA-4)	Number	**11**	13	27	1	7	10	8	EM-RM-540a.1		Limited
Average hours of health, safety and emergency response training (SA-5)	Hours	**8.09**	-	-	NA	11.63	NPR	NPR	EM-EP-320a.1; RT-CH-320.a.1		
Employees (SA-6)	Hours	**8.29**	-	-	NA	12.5	NPR	NPR	EM-EP-320a.1; RT-CH-320.a.1		
Contractors	Hours	**7.30**	-	-	NA	8.3	NPR	NPR	EM-EP-320a.1; RT-CH-320.a.1		

KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	PRO FORMA 2020	PRO FORMA 2019	LEGACY CENOVUS 2020	LEGACY CENOVUS 2019	LEGACY CENOVUS 2018	LEGACY CENOVUS 2017	GLOBAL FRAMEWORK INDICATORS SASB	GLOBAL FRAMEWORK INDICATORS IPIECA	LEVEL OF ASSURANCE
FINANCIAL INDICATORS											
Gross sales	$ millions	**48,811**	-	-	13,914 (FI-3)	21,715 (FI-3)	21,403 (FI-1)	18,623 (FI-1)			
Adjusted funds flow (FI-2) (FI-3)	$ millions	**7,248**	-	-	117 (FI-3)	3,670 (FI-3)	1,721 (FI-1)	2,910 (FI-1)			
Annual capital investments (FI-4)	$ millions	**2,563** (FI-5)	-	-	841	1,176	1,363	1,661			
Amount invested in renewable energy (FI-6)	$ millions	**5**	-	-	NPR	NPR	NPR	NPR	EM-EP-420a.3		
Revenue generated by renewable energy sales (FI-7)	$ millions	**625**	-	-	NPR	NPR	NPR	NPR	EM-EP-420a.3		
Current income tax expense (recovery)	$ millions	**276**	-	-	(13)	17	(126) (FI-1)	(231) (FI-1)			
Royalties (FI-3)	$ millions	**2,454**	-	-	371 (FI-3)	1,173	550 (FI-1)	464 (FI-1)			
Proved reserves (before royalties)	MMBOE	**6,077**	-	-	5,030	5,103	5,167	5,232			
Proved and probable reserves (before royalties)	MMBOE	**8,278**	-	-	6,686	6,871	6,988	7,142			
ACTIVITY METRICS											
Upstream production (AM-1)	BOE/d	**764,639**	723,002	725,134	467,738	447,830	470,383	573,022	EM-EP-000.A		Limited
Oil (AM-2)	bbls/d	**635,798**	587,548	570,832	389,499	360,194	369,497	364,789	EM-EP-000.A		
Oil sands	bbls/d	**489,622**	445,417	428,667	381,723	354,257	362,996	292,479			Limited
Thermal oil	bbls/d	**97,594**	82,765	82,071	NA	NA	NA	NA			Limited
Natural gas (AM-3)	MMscf/d	**772**	811	889	468	490	566	795	EM-EP-000.A		
Electricity (AM-4)	MWh/d	**241**	403	548	403	548	NPR	NPR			
Downstream throughput (AM-1)	BOE/d	**236,391**	229,678	233,482	NA	NA	NA	NA	EM-RM-000.A		Limited
Refining operating capacity	Million barrels per calendar day	**0.29**	-	-	NA	NA	NA	NA	EM-RM-000.B		
Chemical production	BOE/d	**2,360**	2,616	2,937	NA	NA	NA	NA	RT-CH-000.A		Limited
Ethanol (AM-6)	m^3/d	**661**	-	-	NA	NA	NA	NA	RT-CH-000.A		

KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	PRO FORMA 2020	PRO FORMA 2019	LEGACY CENOVUS 2020	LEGACY CENOVUS 2019	LEGACY CENOVUS 2018	LEGACY CENOVUS 2017	GLOBAL FRAMEWORK INDICATORS SASB	GLOBAL FRAMEWORK INDICATORS IPIECA	LEVEL OF ASSURANCE
CLIMATE & GHG EMISSIONS											
Scope 1 GHG emissions (GHG-1)	MMt CO_2e	**17.6**	17.5	18.1	8.7	8.6	8.6	8.4			Reasonable
Exploration & production	MMt CO_2e	**15.1**	15.0	15.7	8.7	8.6	8.6	8.4	EM-EP-110a.1		
Midstream (GHG-7)	MMt CO_2e	**0.0**	0.0	0.0	NA	NA	NA	NA	EM-MD-110a.1		
Refining & marketing	MMt CO_2e	**2.3**	2.4	2.3	NA	NA	NA	NA	EM-RM-110a.1		
Chemicals	MMt CO_2e	**0.1**	0.1	0.1	NA	NA	NA	NA	RT-CH-110a.1		
Gross scope 1 GHG emissions by source	MMt CO_2e										
Combustion	MMt CO_2e	**15.1**	-	-	8.0	7.6	7.6	7.5	EM-EP-110a.2		
Flared hydrocarbons	MMt CO_2e	**0.5**	-	-	0.1	0.1	0.1	0.1	EM-EP-110a.2		
Process emissions	MMt CO_2e	**0.3**	-	-	0.0	0.0	0.0	0.0	EM-EP-110a.2		
Vented emissions	MMt CO_2e	**1.5**	-	-	0.4	0.2	0.3	0.3	EM-EP-110a.2		
Fugitive emissions	MMt CO_2e	**0.3**	-	-	0.2	0.6	0.6	0.6	EM-EP-110a.2		
Scope 1 GHG emissions intensity (GHG-2)	t CO_2e/MBOE	**47.8**	49.8	51.3	50.8	52.4	49.9	40.2		CCE-4	Limited
Exploration & production (GHG-2)	t CO_2e/MBOE	**54.2**	56.6	59.0	50.8	52.4	49.9	40.2		CCE-4	
Midstream (GHG-3) (GHG-7)	t CO_2e/MBOE	**NA**	NA	NA	NA	NA	NA	NA		CCE-4	
Refining & marketing (GHG-2)	t CO_2e/MBOE	**27.1**	28.2	27.3	NA	NA	NA	NA		CCE-4	
Chemicals (GHG-2)	t CO_2e/MBOE	**53.9**	50.0	47.8	NA	NA	NA	NA		CCE-4	
Scope 2 GHG emissions	MMt CO_2e	**1.8**	1.9	2.1	0.2	0.2	0.4	1.0		CCE-4	Reasonable
Exploration & production	MMt CO_2e	**0.9**	0.9	1.0	0.2	0.2	0.4	1.0		CCE-4	
Midstream (GHG-7)	MMt CO_2e	**0.0**	0.0	0.1	NA	NA	NA	NA		CCE-4	
Refining & marketing (GHG-4)	MMt CO_2e	**0.9**	1.0	0.9	NA	NA	NA	NA		CCE-4	
Chemicals (GHG-4)	MMt CO_2e	**0.1**	0.1	0.1	NA	NA	NA	NA		CCE-4	
Scope 2 GHG emissions intensity (GHG-2)	t CO_2e/MBOE	**5.0**	5.5	6.0	0.9	1.5	2.2	5.0		CCE-4	Limited
Exploration & production (GHG-2)	t CO_2e/MBOE	**3.2**	4.0	3.9	0.9	1.5	2.2	5.0		CCE-4	
Midstream (GHG-3) (GHG-7)	t CO_2e/MBOE	**NA**	NA	NA	NA	NA	NA	NA		CCE-4	
Refining & marketing (GHG-2)	t CO_2e/MBOE	**9.9**	11.5	11.0	NA	NA	NA	NA		CCE-4	
Chemicals (GHG-2)	t CO_2e/MBOE	**55.2**	60.9	64.3	NA	NA	NA	NA		CCE-4	

			PRO FORMA		LEGACY CENOVUS				GLOBAL FRAMEWORK INDICATORS		
KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	2020	2019	2020	2019	2018	2017	SASB	IPIECA	LEVEL OF ASSURANCE
Scope 1 & 2 GHG emissions	MMt CO_2e	**19.4**	19.4	20.2	8.9	8.8	8.9	9.5		CCE-4	Reasonable
Exploration & production	MMt CO_2e	**16.0**	15.8	16.7	8.9	8.8	8.9	9.5		CCE-4	
Midstream (GHG-7)	MMt CO_2e	**0.0**	0.0	0.1	NA	NA	NA	NA		CCE-4	
Refining & marketing (GHG-4)	MMt CO_2e	**3.2**	3.3	3.3	NA	NA	NA	NA		CCE-4	
Chemicals (GHG-4)	MMt CO_2e	**0.1**	0.2	0.2	NA	NA	NA	NA		CCE-4	
Scope 1 & 2 GHG emissions intensity (GHG-2)	t CO_2e/MBOE	**52.8**	55.3	57.3	51.7	53.8	52.1	45.2		CCE-4	Limited
Exploration & production (GHG-2)	t CO_2e/MBOE	**57.4**	59.9	62.9	51.7	53.8	52.1	45.2		CCE-4	
Midstream (GHG-3) (GHG-7)	t CO_2e/MBOE	**NA**	NA	NA	NA	NA	NA	NA		CCE-4	
Refining & marketing (GHG-2)	t CO_2e/MBOE	**37.0**	39.7	38.2	NA	NA	NA	NA		CCE-4	
Chemicals (GHG-2)	t CO_2e/MBOE	**109.0**	111.0	112.1	NA	NA	NA	NA		CCE-4	
Scope 1 & 2 GHG emissions (GHG-5) **(Net equity)**	MMt CO_2e	**23.1**	23.1	23.9	NPR	NPR	NPR	NPR		CCE-4	
Scope 3 GHG emissions (Net equity)	MMt CO_2e									CCE-4	
Purchased goods and services	MMt CO_2e	**7.4**	7.2	4.8	NPR	NPR	NPR	NPR		CCE-4	
Capital goods (SC-1)	MMt CO_2e	**0.1**	0.0	0.0	NPR	NPR	NPR	NPR		CCE-4	
Fuel and energy-related activities (not included in scope 1 or scope 2)	MMt CO_2e	**3.4**	2.9	2.9	NPR	NPR	NPR	NPR		CCE-4	
Upstream transportation and distribution	MMt CO_2e	**2.1**	2.0	1.9	NPR	NPR	NPR	NPR		CCE-4	
Waste generated in operations (SC-2)	MMt CO_2e	**NA**	NA	NA	NPR	NPR	NPR	NPR		CCE-4	
Business travel (SC-3)	MMt CO_2e	**0.0**	0.0	0.0	NPR	NPR	NPR	NPR		CCE-4	
Employee commuting (SC-3)	MMt CO_2e	**0.0**	0.0	0.0	NPR	NPR	NPR	NPR		CCE-4	
Upstream leased assets (SC-2)	MMt CO_2e	**NA**	NA	NA	NPR	NPR	NPR	NPR		CCE-4	
Downstream transportation and distribution	MMt CO_2e	**0.5**	0.5	0.5	NPR	NPR	NPR	NPR		CCE-4	
Processing of sold products (SC-10)	MMt CO_2e	**8.5**	8.6	6.9	NPR	NPR	NPR	NPR		CCE-4	
Use of sold products - upstream production	MMt CO_2e	**118.2**	112.9	111.9	NPR	NPR	NPR	NPR		CCE-4	
Use of sold products - refinery throughput (SC-4) (SC-10)	MMt CO_2e	**72.4**	67.6	74.8	NPR	NPR	NPR	NPR		CCE-4	
Use of sold products - retail sales	MMt CO_2e	**5.2**	5.0	5.3	NPR	NPR	NPR	NPR		CCE-4	
End of life treatment of sold products (SC-2)	MMt CO_2e	**NA**	NA	NA	NPR	NPR	NPR	NPR		CCE-4	

KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	PRO FORMA 2020	PRO FORMA 2019	LEGACY CENOVUS 2020	LEGACY CENOVUS 2019	LEGACY CENOVUS 2018	LEGACY CENOVUS 2017	GLOBAL FRAMEWORK INDICATORS SASB	GLOBAL FRAMEWORK INDICATORS IPIECA	LEVEL OF ASSURANCE
Downstream leased assets (SC-5)	MMt CO_2e	**NA**	NA	NA	NPR	NPR	NPR	NPR		CCE-4	
Franchises (SC-3)	MMt CO_2e	**0.0**	0.0	0.0	NPR	NPR	NPR	NPR		CCE-4	
Investments (SC-6) (SC-10)	MMt CO_2e	**3.6**	3.5	4.3	NPR	NPR	NPR	NPR		CCE-4	
Total using upstream production category 11.1 (SC-7) (SC-10)	MMt CO_2e	**143.9**	137.6	133.4	NPR	NPR	NPR	NPR		CCE-4	
Total using refinery throughput category 11.2 (SC-8) (SC-10)	MMt CO_2e	**98.0**	92.3	96.2	NPR	NPR	NPR	NPR		CCE-4	
Total using retail sales category 11.3 (SC-9) (SC-10)	MMt CO_2e	**30.8**	29.7	26.8	NA	NA	NA	NA		CCE-4	
Methane emissions	MMt CO_2e	**1.6**	-	-	0.6	0.8	0.9	0.9		CCE-5	
Exploration & production	MMt CO_2e	**1.5**	-	-	0.6	0.8	0.9	0.9		CCE-5	
Midstream (GHG-7)	MMt CO_2e	**0.0**	-	-	NA	NA	NA	NA		CCE-5	
Refining & marketing	MMt CO_2e	**0.1**	-	-	NA	NA	NA	NA		CCE-5	
Chemicals	MMt CO_2e	**0.0**	-	-	NA	NA	NA	NA		CCE-5	
Gross scope 1 emissions from methane	Percentage	**9.0**	-	-	7.0	9.8	10.7	11.1			
Exploration & production	Percentage	**10.1**	-	-	7.0	9.8	10.7	11.1	EM-EP-110a.1		
Midstream (GHG-7)	Percentage	**0.3**	-	-	NA	NA	NA	NA	EM-MD-110a.1		
Refining & marketing	Percentage	**2.2**	-	-	NA	NA	NA	NA		CCE-5	
Chemicals	Percentage	**0.1**	-	-	NA	NA	NA	NA		CCE-5	
Emissions covered under emissions limiting regulation	Percentage	**94**	-	-	100	84	82	77			
Exploration & production (GHG-6)	Percentage	**100**	-	-	100	84	82	77	EM-EP-110a.1		
Midstream (GHG-7)	Percentage	**100**	-	-	NA	NA	NA	NA	EM-MD-110a.1		
Refining & marketing	Percentage	**51**	-	-	NA	NA	NA	NA	EM-RM-110a.1		
Chemicals	Percentage	**100**	-	-	NA	NA	NA	NA	RT-CH-110a.1		

KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	PRO FORMA 2020	PRO FORMA 2019	LEGACY CENOVUS 2020	LEGACY CENOVUS 2019	LEGACY CENOVUS 2018	LEGACY CENOVUS 2017	GLOBAL FRAMEWORK INDICATORS SASB	GLOBAL FRAMEWORK INDICATORS IPIECA	LEVEL OF ASSURANCE
AIR QUALITY											
SO_2 emissions (AQ-1)	Tonnes	**9,125**	-	-	4,791	4,179	1,935	2,779			
Exploration & production	Tonnes	**7,659**	-	-	4,791	4,179	1,935	2,779	EM-EP-120a.1		
Midstream (GHG-7)	Tonnes	**0**	-	-	NA	NA	NA	NA	EM-MD-120a.1		
Refining & marketing	Tonnes	**1,465**	-	-	NA	NA	NA	NA	EM-RM-120a.1		
Chemicals	Tonnes	**0**	-	-	NA	NA	NA	NA	RT-CH-120a.1		
NO_x emissions (AQ-1)	Tonnes	**16,535**	-	-	9,552	8,991	9,285	12,078			
Exploration & production	Tonnes	**15,033**	-	-	9,552	8,991	9,285	12,078	EM-EP-120a.1		
Midstream (GHG-7)	Tonnes	**4**	-	-	NA	NA	NA	NA	EM-MD-120a.1		
Refining & marketing	Tonnes	**1,422**	-	-	NA	NA	NA	NA	EM-RM-120a.1		
Chemicals	Tonnes	**77**	-	-	NA	NA	NA	NA	RT-CH-120a.1		
Volatile organic compounds (VOCs) (AQ-1)	Tonnes	**8,004**	-	-	5,783	2,802	3,224	4,688			
Exploration & production	Tonnes	**6,556**	-	-	5,783	2,802	3,224	4,688	EM-EP-120a.1		
Midstream (GHG-7)	Tonnes	**49**	-	-	NA	NA	NA	NA	EM-MD-120a.1		
Refining & marketing	Tonnes	**1,363**	-	-	NA	NA	NA	NA	EM-RM-120a.1		
Chemicals	Tonnes	**35**	-	-	NA	NA	NA	NA	RT-CH-120a.1		
Total particulate matter (TPM) (AQ-1)	Tonnes	**713**	-	-	247	193	189	113			
Exploration & production	Tonnes	**467**	-	-	247	193	189	113	EM-EP-120a.1		
Midstream (GHG-7)	Tonnes	**0**	-	-	NA	NA	NA	NA	EM-MD-120a.1		
Refining & marketing	Tonnes	**198**	-	-	NA	NA	NA	NA	EM-RM-120a.1		
Chemicals	Tonnes	**47**	-	-	NA	NA	NA	NA	RT-CH-120a.1		
ENERGY USE											
Energy use (EU-1) (EU-2)	Millions GJ	**316**	-	-	153	147	146	135		CCE-6	
Exploration & production	Millions GJ	**265**	-	-	153	147	146	135		CCE-6	
Midstream (GHG-7)	Millions GJ	**0**	-	-	NA	NA	NA	NA		CCE-6	
Refining & marketing (EU-1)	Millions GJ	**47**	-	-	NA	NA	NA	NA		CCE-6	
Chemicals	Millions GJ	**3**	-	-	NA	NA	NA	NA	RT-CH-130a.1		

KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	PRO FORMA 2020	PRO FORMA 2019	LEGACY CENOVUS 2020	LEGACY CENOVUS 2019	LEGACY CENOVUS 2018	LEGACY CENOVUS 2017	GLOBAL FRAMEWORK INDICATORS SASB	GLOBAL FRAMEWORK INDICATORS IPIECA	LEVEL OF ASSURANCE
WATER STEWARDSHIP											
Fresh water versus overall water use	Percentage	**20**	-	-	5	5	NPR	NPR		ENV-1	
Total fresh water withdrawn (WS-1) (WS-2) (WS-3)	10^3m^3	**34,738**	33,149	32,397 (WS-13)	3,450	3,147	2,800	3,445			Limited
Exploration & production (WS-3)	10^3m^3	**26,047**	23,645	22,334	3,450	3,147	2,800	3,445	EM-EP-140a.1		
Oil sands (WS-4)	10^3m^3	**3,355**	3,873	3,696	3,283	2,921	2,295	2,480	EM-EP-140a.1		Limited
Lloydminster Thermals (WS-4)	10^3m^3	**20,998**	18,530	17,210	NA	NA	NA	NA	EM-EP-140a.1		Limited
Midstream	10^3m^3	**0**	-	-	0	NPR	NPR	NPR		ENV-1	
Refining & marketing	10^3m^3	**7,755**	8,478	9,013 (WS-13)	NA	NA	NA	NA	EM-RM-140a.1		
Recycled	Percentage	**51**	-	-	NA	NA	NA	NA	EM-RM-140a.1		
Chemicals	10^3m^3	**936**	1,026	1,049	NA	NA	NA	NA	EM-RM-140a.1		
Total fresh water consumed (WS-1) (WS-2)	10^3m^3	**33,302**	-	-	3,352	3,019	2,611	2,349			
Exploration & production	10^3m^3	**25,945**	-	-	3,352	3,019	2,611	2,349	EM-EP-140a.1		
Midstream	10^3m^3	**0**	-	-	0	NPR	NPR	NPR		ENV-1	
Refining & marketing	10^3m^3	**6,421**	-	-	NA	NA	NA	NA	EM-RM-140a.1		
Chemicals	10^3m^3	**936**	-	-	NA	NA	NA	NA	RT-CH-140a.1		
Volume of produced water (WS-5) (WS-6) (WS-7) (WS-8)	10^3m^3		-	-							
Exploration & production	10^3m^3	**109,160**	-	-	56,763	52,398	50,816	89,735	EM-EP-140a.2		
Discharged	Percentage	**2**	-	-	0	0	0	0	EM-EP-140a.2		
Injected	Percentage	**38**	-	-	20	20	19	44	EM-EP-140a.2		
Recycled	Percentage	**60**	-	-	80	80	81	56	EM-EP-140a.2		
Volume of flowback (WS-9)	10^3m^3		-	-							
Exploration & production	10^3m^3	**30**	-	-	2	1	35	19	EM-EP-140a.2		
Discharged	Percentage	**0**	-	-	0	0	0	0	EM-EP-140a.2		
Injected	Percentage	**100**	-	-	100	100	100	100	EM-EP-140a.2		
Recycled	Percentage	**0**	-	-	0	0	0	0	EM-EP-140a.2		
Fresh water intensity (WS-1) (WS-2)	bbls/BOE	**0.60**	-	-	0.13	0.12	0.10	0.10		ENV-1	
Exploration & production (WS-3)	bbls/BOE	**0.59**	-	-	0.13	0.12	0.10	0.10		ENV-1	
Oil sands (WS-4)	bbls/BOE	**0.12**	0.15	0.15	0.15	0.14	0.11	0.12		ENV-1	Limited

			PRO FORMA		LEGACY CENOVUS				GLOBAL FRAMEWORK INDICATORS		
KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	2020	2019	2020	2019	2018	2017	SASB	IPIECA	LEVEL OF ASSURANCE
Lloydminster thermals (WS-4)	bbls/BOE	**3.71**	3.85	3.62	NA	NA	NA	NA		ENV-1	Limited
Midstream	bbls/BOE	**0**	-	-	0	NPR	NPR	NPR		ENV-1	
Refining & marketing	bbls/BOE	**0.57**	-	-	NA	NA	NA	NA		ENV-1	
Chemicals	bbls/BOE	**6.83**	-	-	NA	NA	NA	NA		ENV-1	
Percentage of fresh water withdrawn in regions with high or extremely high baseline water stress (WS-1) (WS-2) (WS-3) (WS-10)	Percentage	**2**	-	-	0 (WS-10)	0 (WS-10)	NPR	NPR			
Exploration & production	Percentage	**0**	-	-	0 (WS-10)	0 (WS-10)	NPR	NPR	EM-EP-140a.1		
Midstream	Percentage	**0**	-	-	0	0	NPR	NPR		ENV-1	
Refining & marketing	Percentage	**0**	-	-	NA	NA	NA	NA	EM-RM-140a.1		
Chemicals	Percentage	**54**	-	-	NA	NA	NA	NA	RT-CH-140a.1		
Percentage of fresh water consumed in regions with high or extremely high baseline water stress (WS-1) (WS-2) (WS-3) (WS-10)	Percentage	**2**	-	-	0 (WS-10)	0 (WS-10)	NPR	NPR			
Exploration & production	Percentage	**0**	-	-	0 (WS-10)	0 (WS-10)	NPR	NPR	EM-EP-140a.1		
Midstream	Percentage	**0**	-	-	0	0	NPR	NPR		ENV-1	
Refining & marketing	Percentage	**0**	-	-	NA	NA	NA	NA	EM-RM-140a.1		
Chemicals	Percentage	**54**	-	-	NA	NA	NA	NA	RT-CH-140a.1		
Hydrocarbon content in water discharged to environment (WS-5)	Tonnes	**38**	-	-	0	0	NPR	NPR	EM-EP-140a.2		
Hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used (WS-11)	Percentage	**100**	-	-	100	100	100	100	EM-EP-140a.3		
Hydraulically fractured wells where ground or surface water quality deteriorated compared to a baseline (WS-12)	Percentage	**0**	-	-	0	0	NPR	NPR	EM-EP-140a.4		
BIODIVERSITY											
Reclaimed land (LD-1)	Acres	**3,611**	-	-	1,436	1,557	2,162	1,965			
Area under reclamation (LD-2)	Acres	**14,920**	-	-	9,748	8,538	8,997	9,637			
Well site reclamation certificates received (LD-3)	Number	**421**	473	561	144	171	288	157			Limited
Total caribou habitat area under restoration - life to date (LD-4)	Acres	**198,899**	-	-	164,530	164,530	NPR	NPR	EM-MD-160a.3		Limited
Total area disturbed in caribou habitat (LD-4)	Acres	**484,462**	-	-	483,671	483,671	NPR	NPR	EM-MD-160a.3		Limited
Caribou habitat restoration ratio (LD-4)	Ratio	**0.41**	-	-	0.34	0.34	NPR	NPR	EM-MD-160a.3		Limited

KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	PRO FORMA 2020	PRO FORMA 2019	LEGACY CENOVUS 2020	LEGACY CENOVUS 2019	LEGACY CENOVUS 2018	LEGACY CENOVUS 2017	GLOBAL FRAMEWORK INDICATORS SASB	GLOBAL FRAMEWORK INDICATORS IPIECA	LEVEL OF ASSURANCE
SPILLS											
Spills > 1 bbl (SP-1) (SP-2)	Number	**52**	-	-	9 (SP-3)	9	8	39	EM-EP-160a.2; EM-MD-160a.4		
Exploration & production	Number	**37**	-	-	9 (SP-3)	9	8	39	EM-EP-160a.2		
Midstream	Number	**5**	-	-	0	0	0	NA	EM-MD-160a.4		
Refining & marketing	Number	**10**	-	-	NA	NA	NA	NA		ENV-6	
Chemicals	Number	**0**	-	-	NA	NA	NA	NA		ENV-6	
Estimated volume spilled for spills > 1 bbl (SP-1) (SP-2)	bbls	**1,009**	-	-	33 (SP-3)	240	436	4,333	EM-EP-160a.2; EM-MD-160a.4		
Exploration & production	bbls	**197**	-	-	33 (SP-3)	240	436	4,333	EM-EP-160a.2		
Midstream	bbls	**102**	-	-	0	0	0	NA	EM-MD-160a.4		
Refining & marketing	bbls	**710**	-	-	NA	NA	NA	NA		ENV-6	
Chemicals	bbls	**0**	-	-	NA	NA	NA	NA		ENV-6	
Volume recovered (SP-1) (SP-2) (SP-4)	bbls	**906**	-	-	22	212	NPR	NPR	EM-EP-160a.2; EM-MD-160a.4		
Exploration & production	bbls	**119**	-	-	22	212	NPR	NPR	EM-EP-160a.2		
Midstream	bbls	**94**	-	-	0	0	NPR	NPR	EM-MD-160a.4		
Refining & marketing	bbls	**693**	-	-	NA	NA	NA	NA		ENV-6	
Chemicals	bbls	**0**	-	-	NA	NA	NA	NA		ENV-6	
INDIGENOUS & COMMUNITY ENGAGEMENT											
Annual Indigenous business spend (IN-1)	$ millions	**215**	185 (IN-2)	229 (IN-2)	134 (IN-2)	142	197	240		SOC-14	Limited
Number of non-technical delays (IN-3)	Number	**0**	-	-	0	0	NPR	NPR	EM-EP-210b.2		
Duration of non-technical delays	Days	**0**	-	-	0	0	NPR	NPR	EM-EP-210b.2		
Total social investment (IN-4)	$ millions	**19.25**	-	-	8.73	6.62	6.02	8.83		SOC-13	

KEY PERFORMANCE INDICATOR	UNIT OF MEASURE	2021	PRO FORMA 2020	PRO FORMA 2019	LEGACY CENOVUS 2020	LEGACY CENOVUS 2019	LEGACY CENOVUS 2018	LEGACY CENOVUS 2017	GLOBAL FRAMEWORK INDICATORS SASB	GLOBAL FRAMEWORK INDICATORS IPIECA	LEVEL OF ASSURANCE
OUR PEOPLE											
Voluntary employee turnover	Percentage	**4.3**	-	-	1.4	4.0	6.3 (OP-1)	3.8		SOC-6	
Total workforce (OP-2)	Number	**7,484**	-	-	3,001	3,189	3,042	3,858			
Employees	Number	**6,027**	-	-	2,413	2,361	2,264	2,882			
Contractors	Number	**1,457**	-	-	588	828	778	976			
Board gender diversity (OP-3)	Percentage	**27**	-	-	25	NPR	NPR	NPR		SOC-5	
Board diversity (OP-4)	Percentage	**36**	-	-	NPR	NPR	NPR	NPR		SOC-5	
Percentage female employees (OP-5)	Percentage	**29**	30	29	29	29	28	29		SOC-5	Limited
Leadership roles (OP-6)	Percentage	**26**	25	24	23	21	23	23		SOC-5	Limited
Top leadership roles (OP-7)	Percentage	**22**	19	17	19	19	20	13		SOC-5	
Percentage of employees covered by performance reviews	Percentage	**100**	-	-	100	100	100	100			
Management by objective appraisal	Percentage	**100**	-	-	100	100	100	100		GOV-2	
Multi-dimensional performance appraisal	Percentage	**100**	-	-	100	100	100	100		GOV-2	
BUSINESS ETHICS											
Business conduct investigations (BE-1)	Number	**42**	-	-	26	29	30	23		GOV-1	
Integrity Helpline intakes	Number	**100**	-	-	57	78	64	84		SOC-8	

KEY PERFORMANCE INDICATOR	
NPR	*Not previously reported.*
NA	*Data not available, relevant, or considered material.*
-	*No pro forma calculation completed.*

Note on data table: Totals may not add due to rounding.

SAFETY & ASSET INTEGRITY	
SA-1	*Recordable incidents include lost time injuries, restricted-work injuries and medical aid injuries. Medical aid injuries require medical attention but do not result in an employee being absent from work.*
SA-2	*Total recordable incident rate, lost time incident frequency rate, and near miss frequency rate are calculated as (statistic count x 200,000)/hours worked.*
SA-3	*Adjusted SASB indicator unit of measure from rate to count.*
SA-4	*SASB indicator specific to Refining & Marketing standard, however we have reported for all operations.*
SA-5	*Average hours of health, safety, and emergency response training calculated as (total qualifying training hours provided/total number of employees or contractors).*
SA-6	*Includes full time employees only.*
FINANCIAL INDICATORS	
FI-1	*2017 and 2018 amounts include the results of legacy conventional assets that were sold by Cenovus and were classified as a discontinued operation as required by International Financial Reporting Standards; see note 11 in Cenovus's 2018 Annual Consolidated Financial Statements.*
FI-2	*Non-GAAP measure as defined in Cenovus's 2021 Management's Discussion and Analysis (MD&A).*
FI-3	*Certain information provided for Cenovus's prior years has been reclassified to conform to the presentation adopted in 2020.*
FI-4	*Capital expenditures before acquisition capital, which includes expenditures on property, plant and equipment, exploration and evaluation assets and assets held for sale. Excludes dispositions.*
FI-5	*Excludes asset retirement obligations, capitalized interest and amounts related to the Cenovus-CNOOC Madura and Husky Midstream Limited Partnership joint ventures, which are accounted for using the equity method of accounting.*
FI-6	*Capital expenditures primarily related to the corn oil extraction project at the Minnedosa Ethanol Plant.*
FI-7	*Includes revenue from ethanol sales and the renewable diesel portion of the ultra-low sulphur diesel sales.*
ACTIVITY METRICS	
AM-1	*Production and throughput volumes are disclosed in this report and converted to oil equivalents for use as the denominator of our emissions and water intensities. Reported upstream production values are derived from operated production data from Petrinex and as such will vary from net production values reported in our financial statements which reflect each company's ownership share, and include accruals.*
AM-2	*Oil includes oil production from our oil sands, conventional and thermal assets, natural gas liquids and condensate. For legacy Cenovus, condensate is converted using a factor of 0.86 barrels of oil equivalent (BOE) per barrel (bbl) of condensate. All other liquid conversions are on a 1:1 BOE per bbl equivalent.*
AM-3	*Natural gas volumes have been converted to BOE on the basis of six million standard cubic feet (MMscf) to 1,000 bbls.*
AM-4	*Foster Creek and Christina Lake export excess electricity from their cogeneration facilities into the Alberta grid. Megawatt hours (MWh) are converted to BOE using a factor of 0.59 MWh per BOE.*
AM-5	*Refining operating capacity is comprised of the Canadian upgrading and asphalt refinery operations and the Lima Refinery. Superior Refinery operating capacity will be included after operations resume. None of our facilities are located in or near areas of dense population; defined by SASB as urbanized areas with populations greater than 50,000.*
AM-6	*Ethanol is converted using a factor of 3.57 BOE per m^3 of ethanol.*
CLIMATE & GHG EMISSIONS	
GHG-1	*Scope 1 GHG emissions do not include emissions from some on-site transportation, which are unavailable and not material. Drilling and completions emissions are estimated and reported as required by jurisdictions.*
GHG-2	*Pro forma 2019 and 2020, and 2021 absolute scope 1 & 2 emissions are adjusted for the carbon intensity numerator. We exclude drilling and completions and ethanol plant dryer emissions as there is no fuel production from these activities. We also exclude asphalt terminal emissions and throughput as the low-emissions and high throughput volumes would significantly understate our carbon intensity values.*
GHG-3	*Carbon emissions from the midstream facilities are excluded because the high throughput volumes would inappropriately understate our carbon intensity.*
GHG-4	*No formal guidance exists to allocate the scope 1 emissions from a cogeneration facility for steam generation as scope 2 emissions for receiving facilities. Cenovus uses draft guidance provided by the Saskatchewan Ministry of Environment in April 2019 to allocate 1/3 of the total emissions received from the Meridian cogeneration facility to the Lloydminster Upgrader and Lloydminster Ethanol Plant. Allocation of these emissions as steam to the Lloydminster Upgrader and Lloydminster Ethanol Plant is then based on a steam balance.*
GHG-5	*Scope 1 & 2 GHG emissions on a net equity basis include Cenovus's working interest in all assets, including the non-operated assets identified in the Reporting Approach section of this report. Given the complexity of multiple joint venture arrangements in the conventional segment, a portion of the emissions from our non-operated facilities are estimated. Non-operated asset GHG data had not undergone third-party verification at the time of our ESG report publication and is subject to change.*
GHG-6	*All stationary combustion emissions from Cenovus's Canadian operations are subject to a carbon pricing regime. Non-stationary combustion emissions are subject to either carbon pricing or other, non-market-based, regulations, depending on the facility. There are no emissions limiting regulations in the offshore Asia Pacific region where emissions from assets we operate are considered immaterial.*
GHG-7	*Legacy Cenovus midstream emissions were reported under Exploration & Production.*

SCOPE 3 EMISSIONS	
SC-1	*Estimated for concrete and steel.*
SC-2	*Not considered material.*
SC-3	*Estimated based on a high-level screening assessment and not considered significant.*
SC-4	*Emission factors set to zero for asphalt as it is not combusted at end use and for ethanol as it is a renewable fuel.*
SC-5	*Included in Category 14.*
SC-6	*Scope 1 emissions are accounted for on a net equity basis.*
SC-7	*Volume extracted from the ground on a working interest basis, all produced products are fully combusted (bitumen, crude, NGLs, natural gas) except for bitumen used for asphalt.*
SC-8	*Volume of product moved through our refineries, all products are fully combusted except for asphalt and recycled diluent.*
SC-9	*Volume of refined product sold directly to retail and cardlock customers except for ethanol as it is a renewable fuel.*
SC-10	*Historical values restated to reflect updated methodology or improved data availability.*
AIR QUALITY	
AQ-1	*In some instances, SO_2, NO_x, VOCs and TPM emissions are reported as the total for all facilities where criteria air contaminant emissions have been reported to the regulator.*
ENERGY USE	
EU-1	*In instances where data is not available, purchased electricity associated with retail stations and select offices is excluded.*
EU-2	*Energy calculations are based on fuel high heating value (HHV).*
WATER STEWARDSHIP	
WS-1	*In alignment with Alberta and Saskatchewan regulations, water with <4,000 mg/L of total dissolved solids is referred to as non-saline or fresh. For consistency across operations, fresh water withdrawn for domestic use is not included in metrics.*
WS-2	*Cenovus's historical volumes (2016-2019) have been restated to exclude domestic water volumes, to align with the updated reporting method.*
WS-3	*Does not include fresh industrial wastewater.*
WS-4	*Drilling and completions volumes are excluded from total fresh water withdrawn volumes and fresh water intensity values.*
WS-5	*Produced water is discharged at our offshore Atlantic operations, in accordance with regulatory limits for hydrocarbon content.*
WS-6	*At onshore operations, we inject produced water that is unusable due to composition. It is disposed via deep wells.*
WS-7	*Recycled and injected produced water percentages are calculated as per AER Directive 81, which defines injected as disposed.*
WS-8	*Historical (2016-2019) recycled and injected produced water percentages have been restated to align with the AER's updated Directive 81.*
WS-9	*Flowback is defined as the recovered hydraulic fracturing fluid that returns to the surface during hydraulic fracturing operations which is often mixed with produced water.*
WS-10	*Baseline Water Stress as classified by the World Resources Institute's (WRI) Aqueduct Water Risk Atlas tool. Fresh water withdrawal from a high/extremely high water stress area is at the Minnedosa Ethanol Plant. Our Foster Creek and Christina Lake assets are located in areas unrated for Baseline Water Stress.*
WS-11	*Hydraulic fracturing chemicals used are disclosed publicly through fracfocus.ca.*
WS-12	*Currently, based on available water monitoring at sites, there have been no detections of hydrocarbons or deterioration in water quality over time related to our production.*
WS-13	*Values restated to include volumes that were previously not captured. The percent change in volumes is 0.1% of the total and 0.4% of the refining & marketing fresh water volumes.*
BIODIVERSITY	
LD-1	*Reclaimed land is the associated land for sites where reclamation certificates were received in reporting period.*
LD-2	*A default of 4.05 acres per site is used.*
LD-3	*Metric is determined by the count of reclamation certificates granted by the provincial regulator as no global reporting framework methodologies exist. Reflects Alberta and Saskatchewan operations only.*
LD-4	*Restoration ratio is calculated as the total habitat area under restoration treatment divided by the total area disturbed in the Cold Lake range. Total caribou habitat area under restoration includes completed projects as well as those actively under restoration. Overlapping disturbance is subtracted from our restored area. Data represents the Cold Lake Caribou range only.*

SPILLS	
SP-1	*Representative of hydrocarbon spills only.*
SP-2	*Methodology changed in 2020 to align with SASB methodology. Prior year values have been restated.*
SP-3	*Values restated due to improvements in aligning legacy systems.*
SP-4	*Volumes recovered during initial response or within seven days; additional volumes are remediated over the longer term.*
INDIGENOUS & COMMUNITY ENGAGEMENT	
IN-1	*All goods and/or services provided by either an Indigenous-owned company (51% or more ownership) or an Indigenous joint venture. Figures are based on companies or communities self-disclosing that their businesses are Indigenous.*
IN-2	*Values restated to reflect changes in self-disclosure of Indigenous businesses.*
IN-3	*Non-technical delays are 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, or armed conflict.*
IN-4	*Total value of social investments as audited by the London Benchmarking Group Canada. Social investments include cash, employee volunteer time during work hours and in-kind contributions.*
OUR PEOPLE	
OP-1	*Methodology change in 2018 to include voluntary retirement.*
OP-2	*Employee total is based on headcount and includes part-time employees.*
OP-3	*Reflective of women on the Board, as disclosed in Cenovus's 2022 Management Information Circular.*
OP-4	*In 2021, the Board revised the existing aspirational target included in the Board Diversity Policy to have at least 40% of non-management directors be represented by women, Indigenous Peoples, persons with disabilities and members of visible minorities, with at least 30% representation by women, by year-end 2025.*
OP-5	*Reflects Canadian operations only.*
OP-6	*Cenovus leadership roles include employees at the Supervisor, Team Lead, Manager and Director or equivalent level, where equivalent is determined when the employee is responsible for directly managing employees or contractors (i.e. have at least one direct report). Leaders who manage service providers only are excluded.*
OP-7	*Cenovus top leadership roles include the President & CEO, Executive Vice-Presidents, Senior Vice-Presidents, Vice-Presidents and Chief positions.*
BUSINESS ETHICS	
BE-1	*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.*

4 OUR SAFETY CULTURE

OUR SAFETY CULTURE

The safety of our people and communities and the integrity of our assets are foundational to all that we do. Safety is engrained in our values and culture and reinforced in every decision.

STRATEGY

Our safety ambition is to be a top-tier performer in process and occupational safety, as measured against industry benchmarks. We follow the principles for good operating practices set out in the Cenovus Operations Integrity Management System (COIMS). Our facilities and assets are designed, maintained and operated with a primary focus on the safety of our staff, process safety and asset integrity to realize safe and reliable operational performance. We actively assess the risk profile of our infrastructure to focus our risk management objectives. In the event of an incident, community and worker safety, and protecting the environment are the priorities.

We continue to strengthen our organization to provide the systems, standards, tools, oversight and expertise required to become a top-tier safety performer. This requires us to focus on learning as we go, applying our knowledge and making necessary changes to improve our performance.

2021 PERFORMANCE

Cenovus's safety model emphasizes a learning culture with ground-level empowerment and responsibility for safety. We incentivize performance across the organization by including key safety metrics in our corporate scorecard, which is tied to compensation for management and all employees.

In 2021, we saw a 13% decrease in our recordable incident rate compared to 2020[1]. Our conventional business and Lloydminster thermal operations had zero recordable injuries in 2021. We also reached a significant safety milestone at our Minnedosa Ethanol Plant, achieving seven years without a recordable incident. However, across the company Cenovus recorded 71 worker injuries in 2021 and we need to do better. All incidents were investigated to identify root causes and make improvements to avoid repeat incidents. The investigations were then evaluated to identify cross-company themes and plans have been put in place to address them where applicable.

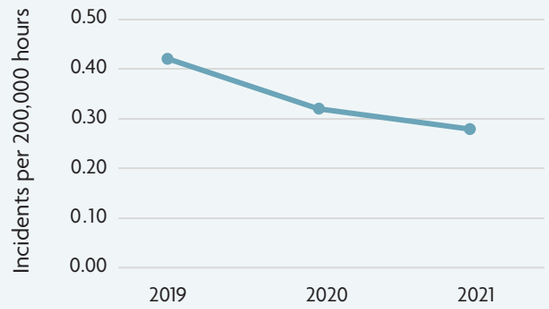
Our process safety events saw little change, with 20 recorded in 2021 compared to 21 the year before[1]. We are finding ways to improve our process safety performance, including through prioritizing elements of COIMS – safe control of work, risk management and management of change – supported by an ongoing focus on leadership in the field and learning from each incident. Building on the work of external consultants and our internal risk reviews, we are prioritizing spending on facility renewal projects across our manufacturing assets that have the greatest opportunity to further improve the safety and reliability of our operations.

Recordable incidents include lost-time, restricted-work and medical aid injuries.

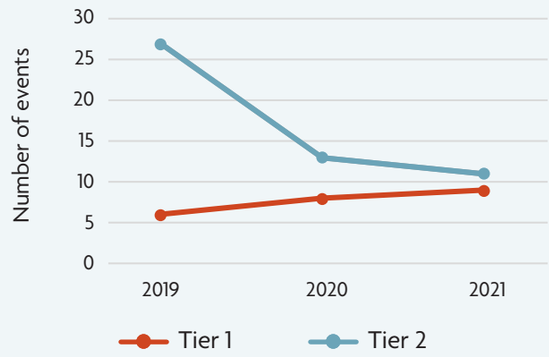
Process safety events (PSE) are unplanned or uncontrolled releases of potentially hazardous liquid or gas from production facilities. Releases are evaluated and categorized into tiers in accordance with industry standards.

View Footnotes

Total recordable incident rate[2]



Process safety events[2]



GOVERNANCE

Safety Policy

Our commitment to workers is that they return home safe every day. Our Safety Policy sets out eight safety commitments that define the attitude and behaviours we expect from anyone who works with us or for us, empowering workers to speak up if they see an unsafe situation or feel the work they've been asked to do is not safe. Read more about our eight safety commitments.

Safety Operations Risk Committee

The Safety Operations Risk Committee was established in early 2021, comprised of senior leadership with the direct responsibility and authority to achieve our safety ambition by creating the desired safety culture, and to govern, sustain and oversee implementation of COIMS. The committee develops risk management-based strategies and provides direction to ensure entities and functional groups develop plans to meet Cenovus's safety objectives. It also monitors progress and provides course correction as required.

Joint Health & Safety Committees

Workers and management at our owner-operated sites sit on joint Health & Safety Committees, which address health and safety-related concerns, including significant incident investigations. These groups work together to identify and solve these concerns, and support three basic workers' rights:

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

RISK MANAGEMENT

As an integrated energy company, we are exposed to inherent health and safety hazards. If we are unable to manage the risks associated with these hazards, we could face loss of life, injuries or significant environmental, operational or reputational impacts.

Our Cenovus risk matrix is a standardized tool that assists with the assessment of risks across our asset base and is critical for the successful management of risk in our business. It was harmonized in mid-2021, following the combination of Cenovus and Husky, and applies to our updated COIMS.

We provide guidance and robust health and safety training to staff so they are able to stay safe and meet our safety risk management requirements. We regularly conduct self-verification and assurance to COIMS requirements, and review our performance related to health, safety and environment objectives, ensuring our potential risks continue to be managed.

Creating and sustaining a culture that delivers continuous improvement in safety performance and process safety management is one of the key ways to manage safety risks, and this continues to be a priority for Cenovus. Leaders are expected to manage the risks associated with their respective business activities and model safety leadership behaviours.

Cenovus Operations Integrity Management System

COIMS is Cenovus's approach to operating safely, responsibly and efficiently and is an important tool in becoming a top-tier safety performer. COIMS is organized into 15 integrated elements that work together as a system to identify and manage risks. Each Cenovus operating entity is assessed against the requirements contained in each element.

Since the launch of COIMS in June 2021, and in collaboration with the Safety Operations Risk Committee, we have prioritized three elements to improve our safety performance:

- Risk Management
- Management of Change
- Safe Control of Work

Implementation is supported by the ongoing focus of leadership in the field and learning from incidents. These three elements are prioritized to support risk management objectives. As part of the COIMS implementation, conformance with all requirements will be assessed and gaps closed.

Collaboration between our technical experts and operations leadership to understand the needs of each business entity have been key to ensuring that COIMS is fit for purpose and can be applied across the business. Full implementation and maturity of COIMS in support of our safety ambition will be a multi-year journey.

COIMS
Cenovus Operations
Integrity Management System

Emergency management

Incident and emergency management

Keeping our people, communities and workplaces safe when emergency situations occur is crucial. We work to mitigate events where possible, and we have a robust system in place to respond to incidents and near misses that have potential health, safety or environmental consequences while meeting our regulatory responsibilities and maintaining business continuity.

In 2021, we made progress harmonizing our incident and emergency management systems, including the Calgary-based Incident Support Team, the virtual Emergency Operations Centre, the Core Emergency Response Plan and the Corporate Incident Management Process. This allows us to have a consistent structure of roles and responsibilities, and training, that aligns with the Incident Command System (ICS).

Our COIMS framework is foundational to preparing our response teams through education, training, exercises and driving continuous improvement. All our operating locations maintain emergency response plans that are updated and exercised regularly to ensure we have the appropriate people, resources and equipment in place.

If a significant incident occurs, we respond using the ICS. Protecting life, stabilizing the incident and environmental stewardship are foundational elements. Using the globally recognized ICS also helps Cenovus build trust and confidence with our external stakeholders.

Our incident management process enables us to identify cause(s) and develop corrective actions to prevent reoccurrences.

Business continuity

Business continuity plans are designed to address everything from pandemics and supply chain shortages to interruptions to operations and information technologies. These plans are updated and exercised regularly to identify opportunities for improvement and develop organizational resilience. In 2021, business continuity plans were successfully activated where necessary, including our ongoing response to COVID-19 and implementing work from home protocols for staff whose jobs allowed it. Following the Cenovus-Husky combination, harmonization of the business continuity process began across Cenovus in 2021 and business continuity plans were updated, including validation of the business interruption risks throughout the organization. Harmonization of the business continuity process is set to be completed in 2022.

Industrial hygiene

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

10 life saving rules

As part of Cenovus's commitment to providing a healthy and safe work environment, our 10 life saving rules are mandatory for everyone across all work locations and are aligned with Energy Safety Canada.

Safety reports and dashboards

Reporting all potential and actual safety incidents is a critical component of Cenovus's learning culture. We have internal health and safety staff, independent of operations, who review and verify safety reports. Our operations integrity scorecard is a dashboard where we collect and analyze information about incidents and near-miss investigations, hazard identification and mitigation, audits and inspections, behaviour observations and corrective actions. All staff can access, in real time, leading or lagging information on the safety performance of the business. The dashboard enables us to visualize our health and safety performance, support safety audits and assurance work, and keep leaders notified about event occurrences and trends to drive continuous improvement. Cenovus management meets weekly to review our safety performance and what we've learned from any incident investigations, and to discuss areas for improvement.

In 2021, we named three safety excellence examples that represent our value *protect what matters* in action:

Conventional Operations

- No recordable injuries or potential significant incidents in 2021.
- Eight major maintenance turnarounds in 2021 with zero incidents at site.

Lloydminster Thermal Operations & Maintenance

- No recordable injuries in 2021.

Lima High Temperature Hydrogen Attack (HTHA) team

- Two-year multi-disciplinary effort to proactively assess refinery equipment for high temperature hydrogen damage and identify equipment to be replaced. After the replacements, an ongoing monitoring program was created and implemented.

Supplier safety management

Suppliers and their personnel are key to achieving safe operations, so it is critical they are committed to our safety requirements and ways of working. Our supply chain and contractor safety management process defines the procedures, systems and tools used to manage onsite supplier safety performance. We ensure they are applied consistently, and that we're qualifying, selecting, managing and verifying our onsite suppliers to minimize and manage risks so everyone goes home safe, every day. Through our health and safety and supply chain processes, we collect information that helps us select suppliers based on:

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

Once selected, suppliers are monitored to ensure compliance with our standards. We are currently in the process of aligning both legacy companies' supplier health, safety and environmental requirements to ensure consistency in our safety performance and expectations.

We use the ISN database to access information about suppliers, ensure base compliance with health and safety and environmental requirements, and provide transparent and timely updates to all suppliers.

COVID-19

Through the second year of the COVID-19 pandemic, we continued to put the health and safety of our people and the communities where we live and work first, while doing our part to protect the health-care system and continue to deliver safe operations. Our response followed local government and health authority guidance and adjusted where needed for site specifics across our global operations.

Safety measures included daily health checks, illness reporting and isolation or quarantine protocols, masking and physical distancing requirements, and enhanced cleaning. At some large worksites, we partnered with local governments to administer on-site rapid testing for staff. We also ran several COVID-19 vaccination campaigns in partnership with local health authorities, including at our Foster Creek, Christina Lake and Sunrise locations, and other sites with an on-site health centre. Where their job allowed it, staff worked from home through 2021, with technology enabling us to conduct business securely and efficiently. In 2022, working closely with local health officials and our own internal experts, we developed a plan for a safe return to office. Eligible staff have the option to participate in our workplace flexibility pilot project.

Cenovus contributed $80,000 to the Superior Fire Department for emergency response training, winter protective gear and the purchase of a new 101-foot aerial ladder fire truck, supporting its goal of providing the highest quality service to the Superior community. This contribution helps enhance community safety and preparedness.

Photo Credit: Superior Fire Department

5 CLIMATE & GHG EMISSIONS

View Footnotes

CLIMATE & GHG EMISSIONS PROGRESS

TARGET AND AMBITION

Reduce absolute GHG emissions by 35% by year-end 2035[1] as we build toward our long-term ambition for net zero emissions by 2050.

PROGRESS

Starting point 2019 **23.9** MMt CO_2e

2021

23.1

MMt CO_2e

Target 2035 **15.5** MMt CO_2e

2021 KEY MILESTONES

Methane reductions

Reduced total methane emissions by about 520,000 t from 2020 levels.

- Successfully piloted alternative Fugitive Emissions Management Program (alt-FEMP) aerial screening.
- More than 3,000 high- to low-bleed instrument conversions.
- Successfully piloted Facility of the Future zero vent well pad initiative.
- Successfully piloted select methane reduction technologies, including instrument gas to air conversions.

Carbon capture and storage (CCS) and other decarbonization

- Captured 90,000 t CO_2e at Lloydminster Ethanol Plant and Pikes Peak South thermal project.
- Completed feasibility study for carbon capture at Christina Lake.
- Evaluated feasibility of carbon capture at Minnedosa Ethanol Plant and Elmworth gas plant.
- Initiated a technology screening study to determine the optimal CO_2 capture technology at the Lloydminster Upgrader.
- Initiated pre-FEED studies for commercial-scale carbon capture applications at two Cenovus assets, working with Svante.
- Committed to a power purchase agreement (PPA) to buy renewable electricity and associated emissions offsets.

WHAT'S NEXT[2]

Methane reductions

- Scaling methane reduction initiatives across additional conventional sites.
  - ◇ Zero vent well pads, systems electrification, alt-FEMP expansion.

CCS and other decarbonization

- Progress studies to optimize the cost and energy inputs of capturing CO_2 from flue gas from natural gas combustion.
- Progress Minnedosa CCS project, including drilling wells to understand reservoir quality for sequestration.
- Advance CCS at the Lloydminster Upgrader, select sequestration well location and optimal CO_2 capture technology application.
- Continue work with Svante for design and cost estimates on commercial-scale carbon capture applications.
- Collaborate with industry peers in accelerating technology commercialization.
- Advance Pathways Alliance CO_2 pipeline and sequestration hub project.
- Offset a portion of our scope 2 emissions through additional renewable PPAs.
- Evaluate direct air capture to offset portfolio emissions from hard-to-abate sources.
- Continue to monitor advancements in non-combustion uses of bitumen (Bitumen Beyond Combustion).

Cenovus is committed to making our oil production among the most sustainable in the world as we build toward our long-term ambition of net zero emissions by 2050. We believe oil will continue to be required as part of a diversified global energy mix through 2050 and beyond, as a transportation fuel and as a building block for products we use every day, so it is important that we reduce our emissions.

We're advancing carbon capture and storage (CCS), reducing methane emissions and implementing technologies and facility improvements to lower our absolute emissions and help us reach our climate and GHG target and ambition.

Emissions reduction at a pace and scale to achieve Canada's Paris Agreement commitments and climate change goals requires collaboration and innovation to succeed. Cenovus's efforts to lower emissions are complemented by the work of the Pathways Alliance that we jointly founded with our peers in 2021. The goal of the Pathways Alliance is to achieve net zero emissions by 2050 from the companies' oil sands production, in three phases.

METRICS & TARGETS

Cenovus has set a target to reduce our absolute scope 1 and 2 GHG emissions, on a net-equity basis by 35% from 2019 levels by year-end 2035, as we build toward our long-term ambition to achieve net zero emissions by 2050. Setting a target on our net equity emissions ensures we are focused on reducing our carbon footprint for all our business activities, not just those we operate, and reinforces our focus on doing our part to contribute to a lower-carbon future.

Achieving a 35% reduction in our absolute scope 1 and 2 GHG emissions, on a net equity basis, means reducing our emissions to 15.5 million tonnes of CO_2 equivalent (CO_2e) from our starting point of 23.9 million tonnes – a total reduction of 8.4 million tonnes through 2035.

STRATEGY

Our GHG emissions reduction efforts and our long-term ambition of achieving net zero emissions by 2050 are aimed at helping ensure Cenovus's business remains resilient and can play an important role as the world moves toward a lower-carbon future.

We expect our core portfolio to remain hydrocarbon-focused, with continued investment in emissions reduction technologies. In the near term we are deploying these technologies across multiple sites, for example, retrofitting gas-driven pneumatic equipment to operate on air instead of natural gas to reduce methane emissions. We are also investing in and evaluating more complex technologies that have the potential to drive larger reductions from higher-emitting facilities in the future.

Cenovus has a large inventory of levers available to reduce our scope 1 and 2 GHG emissions. These include a range of emissions reduction technologies and leveraging existing organizational competencies and talent to improve energy efficiency and reduce GHG emissions from our top-tier asset base.

Our Climate & GHG emissions focus area supports Sustainable Development Goal 7 – target 7.1 and 7.a.

Our plan to achieve our targets

We've included approximately $1 billion in our five-year business plan for GHG emissions reduction opportunities to help us make progress towards our target. We believe this is possible by applying and advancing technologies in phases.

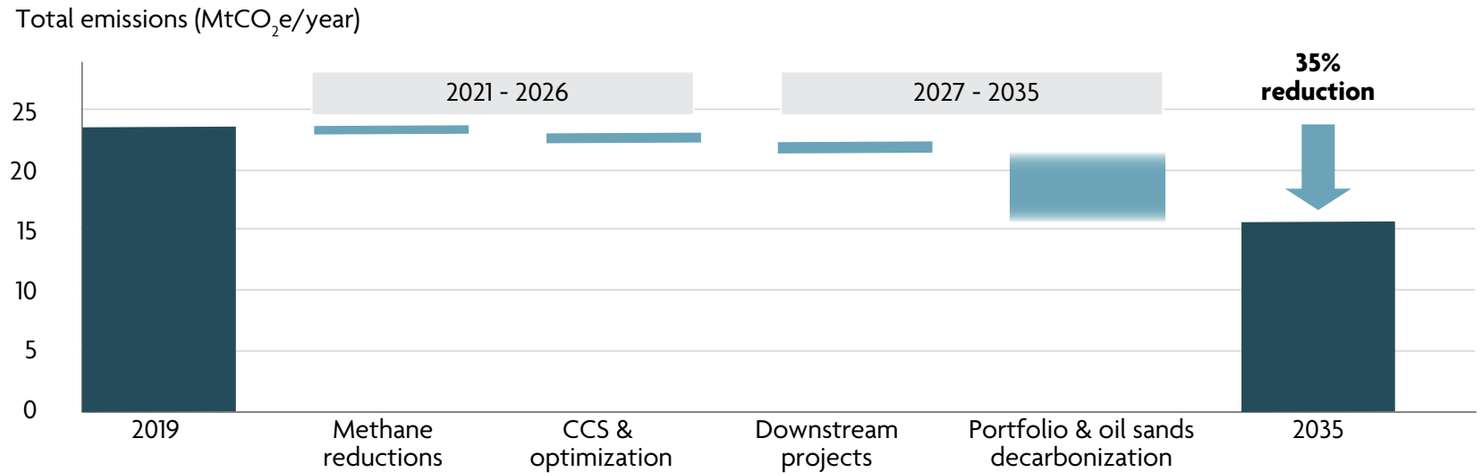
Phase 1, from 2021-2026, includes near-term projects as well as pilots and feasibility studies expected to enable further reductions in Phase 2. The near-term projects with spend in our five-year business plan include methane reduction and facilities optimization in our conventional business, and CCS initiatives at the Lloydminster Upgrader, Minnedosa Ethanol Plant and Elmworth gas plant.

Potential developments in Phase 2, from 2027 through 2035, include expanding carbon capture across our oil sands assets. Other potential projects include displacing steam with solvents for oil sands recovery, small modular nuclear reactor studies and tying in to the Pathways Alliance's planned CO_2 pipeline and storage hub.

Phase 3 extends beyond 2035, outlining our technology pathways to achieve our net zero by 2050 ambition. These initiatives include implementing the most efficient large-scale emissions reduction solutions, which could involve further CCS and process improvements, the use of small modular nuclear reactors for heat and power, and other low-carbon energy inputs. This suite of long-term abatement levers requires additional technology improvements and government support to become feasible. We intend to enhance these initiatives by advancing measured growth in targeted low-carbon business opportunities.

Cenovus's planned path to achieving our net zero ambition includes the use of high-quality carbon offsets for only a small portion of hard-to-abate scope 1 direct emissions, while scope 2 emissions related to electricity purchases are expected to be largely mitigated through purchasing renewable power.

Illustrative levers to achieve absolute GHG reduction target



2019 start year for targets; shown on a net equity basis. Emissions reductions are in reference to scope 1 and 2, on a net equity basis.

Net-equity emissions: Scope 1 & 2 GHG emissions on a net equity basis include Cenovus's working interest in all assets, including the non-operated assets identified in the Reporting Approach section of this report.

Phase 1 2021 - 2026

Near-term projects

Methane reductions

Focused on conventional gas and heavy oil businesses

- Instrument gas to air conversions
- Facilities systems electrification
- Solar-powered chemical injection pumps
- Near-zero vent designs and vent reductions
- alt-FEMP aerial screening

CCS & optimization

- Minnedosa Ethanol Plant
- Elmworth gas plant
- Lloydminster Upgrader

Facility optimization at oil sands and conventional assets

- Optimizing steam use through well design & process controls

Pilots and feasibility studies that enable reductions in Phase 2

- Svante carbon capture technology
- Advanced amines for carbon capture, designed specifically for natural gas combustion flue gas
- Feasibility of small modular nuclear reactors for heat and power

Phase 2 2027 - 2035

Projects being progressed for 2035 target

Future potential developments

- Additional CCS at the Lloydminster Upgrader and other upstream post-combustion emissions sources
- Pathways Alliance initiatives to enable decarbonization including foundational carbon transportation line and joint storage hub
- Steam-assisted gravity drainage (SAGD) emission reductions from
  - Solvents
  - Small modular nuclear reactors
- Portfolio adjustments

Phase 3 2036 - 2050

Technology pathways to net zero

Long-term vision

- Full implementation of most efficient large-scale emissions reduction solutions
- CCS on remaining accessible streams
- Low-carbon business opportunities

PATHWAYS ALLIANCE AND CANADA'S CLIMATE GOALS

Meeting Canada's climate goals will require multiple industries working together with governments to invest in carbon-reducing technologies. The Pathways Alliance foundational project is a carbon capture network in Alberta – expected to be among the largest in the world. This anchor CCS project is expected to achieve major emissions reductions and is key for 2050 net zero ambitions. It is being designed to permit other emitters, from all industrial sectors, to join. The Pathways Alliance is working collaboratively with governments to help Canada achieve its climate goals and ensure our country can be the world's preferred supplier of responsibly produced energy. Governments and industry need to work together to enable an effective fiscal and policy/regulatory framework to ensure Canada succeeds in meeting its climate commitments while also remaining globally competitive.

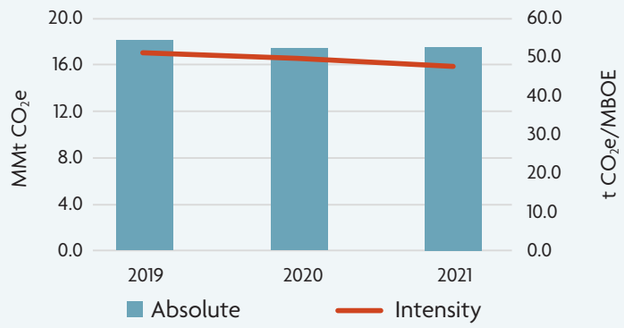
2021 PERFORMANCE

In 2021, our net equity scope 1 and 2 absolute emissions remained flat year-over-year at 23.1 million tonnes, and are down from 2019. We continued to operate our two existing carbon capture projects, further reduced methane emissions and advanced several emissions-reduction pilot projects and feasibility studies as part of overall efforts to decarbonize our portfolio and make progress towards our target and ambition.

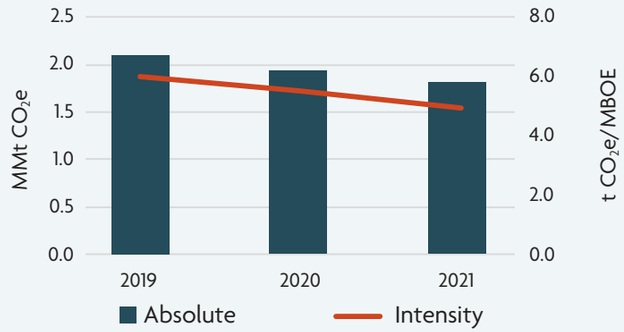
To help ensure a standardized approach across all our business units, we've created a new GHG investment appraisal manual to guide our evaluation of the GHG profile and impact of carbon pricing on installed operations. The manual also applies to new projects that could change our GHG profile, allowing staff to quantify the expected impact of carbon pricing and credit-generating opportunities in a consistent way. This manual was rolled out across the business in the first half of 2022.

We progressed work on an internal carbon dashboard in 2021, so that emissions performance can be tracked across the company. The dashboard breaks down our emissions performance in several ways, including by asset, both operated and at a working interest level, and by source, identified at the equipment level. We continue to enhance the functionality and accessibility of the dashboard.

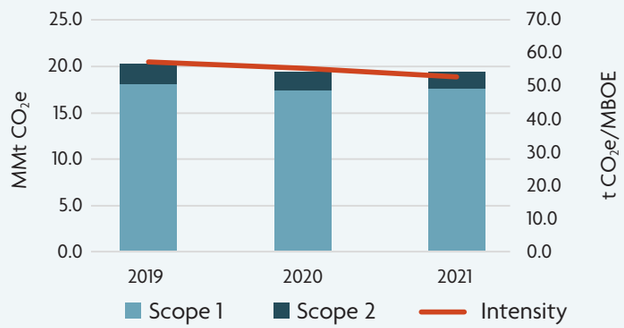
Gross operated scope 1 emissions



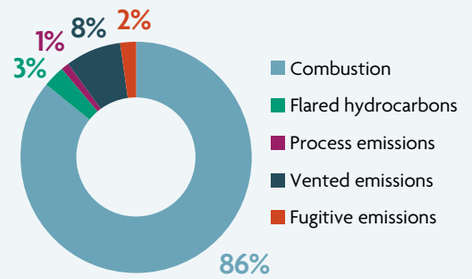
Gross operated scope 2 emissions



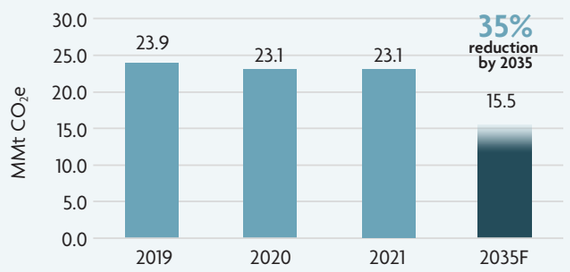
Gross operated scope 1 & 2 emissions



Gross operated scope 1 emissions by source



Net equity scope 1 & 2 emissions



We are reporting our scope 1 and 2 emissions on both a gross operated and, to support our GHG reduction target and ambition, net equity basis.

Methane reductions

We deploy methane reduction efforts primarily at our conventional gas and heavy oil operations, as our oil sands assets produce minimal methane emissions. Our oil sands operations are all SAGD, so we do not have any tailings ponds, which are typically the larger methane sources in mining oil sands operations.

We have reduced our methane emissions by 25% from 2020 levels, or about 520,000 tonnes of CO_2e. In 2021, we completed a project to convert more than 3,000 older instruments, such as transducers and pressure controllers, which run on pressurized natural gas to new low- or no-bleed devices, which consume and emit less natural gas. This project alone cut methane emissions by close to 200,000 tonnes. Further, converting facility pneumatic equipment like controllers and pumps to run on instrument air instead of natural gas will help us continue to reduce methane emissions in our conventional operations.

In 2021, we continued to manage fugitive emissions, which involves facility inspections using optical gas imaging cameras to pinpoint leaks, allowing us to repair them. We are also set to expand our successful alt-FEMP, which involves an aerial screening technology that allows us to detect, quantify and mitigate methane emissions from our operations more efficiently. Flying over our operations, we take a series of photos detailed enough to show the location and size of any methane leaks. The plane can survey far more sites than a ground crew in the same amount of time. We can then prioritize any leaks by size, addressing the largest ones first and reducing our emissions more quickly. The program provides high-quality data, helping us continue to implement our long-term methane emissions reduction strategy.

Another component of our strategy, the Facility of the Future project, has led to new well-site equipment designs that emit 90% fewer GHG emissions than previous versions. The project allowed select technology providers and innovators to test and trial low- to no-emissions technologies at our conventional oil and gas assets. The key focus of this project for Cenovus was to eliminate vented methane emissions from natural gas-driven pneumatic equipment on standard well site separator packages. The pilot, which was done with the support of Petroleum Technology Alliance Canada and Energy Efficiency Alberta, has enabled us to standardize and deploy at scale.

Additional methane mitigation initiatives being implemented in the near term include facility systems electrification, routine vent reduction and solar-powered chemical injection pumps.

CCS and other decarbonization

We currently operate two carbon capture projects, which together capture almost 90,000 tonnes of CO_2 per year.

Lloydminster Ethanol Plant

Our Lloydminster Ethanol Plant in Saskatchewan, where we produce fuel-grade ethanol, captures approximately 80,000 tonnes of CO_2 per year which is safely injected underground for enhanced oil recovery. With the use of carbon capture technology, we produce some of the lowest carbon intensity ethanol in Canada. The facility, along with our ethanol plant in Manitoba, also helps address scope 3 end-use emissions as fuel blended with ethanol is lower in emissions when burned compared to gasoline.

Pikes Peak South

At our Pikes Peak South thermal project in Saskatchewan, we are testing technology developed by Vancouver-based clean tech company Svante, to capture close to 9,000 tonnes of carbon a year while enabling the advancement of the technology. Svante developed, constructed and has been testing its novel structured bed technology at our operations since 2019 and uses the performance data to improve the technology for commercial deployment. The technology takes flue gas from boiler exhaust stacks and exports it to a carbon capture system. Specially engineered filters grab onto the CO_2, isolating it from other gases so it can be safely produced in a concentrated form for controlled use.

In 2021, we also worked directly with Svante for design and cost estimates targeting commercial-scale applications at two separate Cenovus assets. Either of these capture opportunities would represent the largest application of

Svante's adsorption-based technology to date and would be a first-of-a-kind deployment.

We're also progressing a number of new carbon capture projects intended to help us further decarbonize our portfolio:

Minnedosa Ethanol Plant

A proposed carbon capture project at our Minnedosa Ethanol Plant in Manitoba has been incorporated into Cenovus's five-year business plan. The project, which is designed to have the capacity to capture approximately 100,000 tonnes of emissions annually, has advanced to a preliminary engineering and design phase. Plans are in place to drill a sequestration well to determine reservoir quality in the second half of 2022.

Elmworth gas plant

Work is also progressing to reduce carbon emissions associated with the Elmworth gas plant through a CCS project that would sequester up to 60,000 tonnes of CO_2 annually based on current design specifications. We are undertaking a study for the required infrastructure and evaluating next steps.

Lloydminster Upgrader

At our Lloydminster Upgrader's steam methane reformer, our geoscience team is evaluating the best location for a sequestration well to support the development of a carbon capture facility. In 2021, an engineering firm undertook a technology screening study to determine the optimal CO_2 capture technology. The results of this study will provide Cenovus with the design and cost information needed to select a single technology application and proceed through our decision process. Based on current design specifications, the upgrader project is expected to capture more than 400,000 tonnes of CO_2 per year.

Christina Lake

In 2021, we completed a feasibility study for a carbon capture facility at our Christina Lake oil sands operations. The study looked at cost estimates and design to capture more than 50% of the current emissions from SAGD steam generators. The captured CO_2 could tie into the proposed Pathways Alliance foundational pipeline and storage hub project, providing capacity and containment assurance for long-term sequestration.

We partnered with Alberta Ecotrust on a unique project aimed at providing carbon capture technology for non-profit organizations in Alberta. The project is part of its Climate Innovation Fund, which targets major urban greenhouse gas emissions in Calgary and Edmonton by identifying, investing in and scaling up a broad range of solutions that address climate change.

Additional decarbonization efforts

Additional decarbonization efforts will be required to help us reach our GHG emissions reduction target and ambition. In addition to the potential expansion of carbon capture projects, we are also exploring the feasibility of other means of reducing GHG emissions, including solvents, small modular nuclear reactors and direct air capture.

Cenovus benefits from a top-tier asset base with a wealth of opportunities to improve returns. We believe that our expanded asset base following the Husky transaction provides the ability to leverage existing competencies and talent in the organization to improve energy efficiency and reduce emissions. This has been demonstrated in improvements to the steam to oil ratio (SOR) at our Lloydminster thermal facilities in 2021, leveraging experience and what we learned from our Foster Creek and Christina Lake operations.

Power purchase agreement

In 2021 we committed to a PPA to buy renewable electricity and the associated emissions offsets from a new solar project being developed by a partnership between Cold Lake First Nations and Elemental Energy Inc. The PPA directly supports the construction of the project, located in southern Alberta. This advances our ESG targets related to both climate & GHG emissions and Indigenous reconciliation. We intend to use the credits generated by this project to offset a portion of our scope 2 emissions. The project is proceeding with regulatory approvals. Once the project becomes operational, expected in 2023, we will provide further detail in our ESG report on how we are applying offsets.

Cogeneration

Our Foster Creek and Christina Lake oil sands facilities have cogeneration plants which use natural gas to power a combustion turbine, generating electricity for our operations. In 2021 our cogeneration plants produced 240 megawatt hours (MWh) per day more electricity than we consumed, which we sold to the Alberta electrical grid, reducing the province's reliance on coal-fired power. The gas-fired Meridian cogeneration station, which we operate, produces steam for our Lloydminster Upgrader and ethanol plant, and supplies electricity to the Saskatchewan grid under contract to SaskPower. These cogeneration plants help reduce the provinces' use of electricity produced using coal and reduces the emissions we would emit if we produced the steam from a conventional boiler system. We also have a 50% ownership in a cogeneration facility at our Rainbow Lake asset where we use the power and sell excess electricity to the Alberta grid.

Reservoir optimization

We continuously work to maximize the use of available steam and increase production from reservoirs, aiming to keep our SOR flat or declining. As part of this effort, we are finding new and creative ways of drilling wells and leveraging heat already in the ground to produce bitumen from additional areas of the reservoir. In 2021, these efforts, along with new pad development, contributed to an SOR reduction at Foster Creek of approximately 10% from 2020 levels.

Solvents

At our oil sands and thermal operations, the use of solvents, which are lighter hydrocarbons, to displace steam has the potential to significantly reduce per-barrel emissions. We have operated a number of pilots at varying solvent concentrations and are currently evaluating potential commercial deployment at our oil sands and thermal operations.

Scope 3

Scope 3 emissions are the indirect emissions in a company's value chain that are not included within scope 2 emissions. Because about 80% of emissions from fossil fuels are generated when the products are consumed, scope 3 emissions provide the most significant opportunity to address climate change globally.

To achieve the goals of the Paris Agreement, society must address emissions across the value chain, from initial production to final consumption. Significant progress on reducing those emissions will require collaboration across sectors, academia, governments, researchers, entrepreneurs and others. We participate in a number of collaborative opportunities to find solutions to address emissions from the use of our products, such as the NRG-COSIA Carbon X-Prize which challenged teams to come up with useful products made from captured CO_2, and CRIN, which has a mandate to focus on solutions for clean hydrocarbons from source to end use.

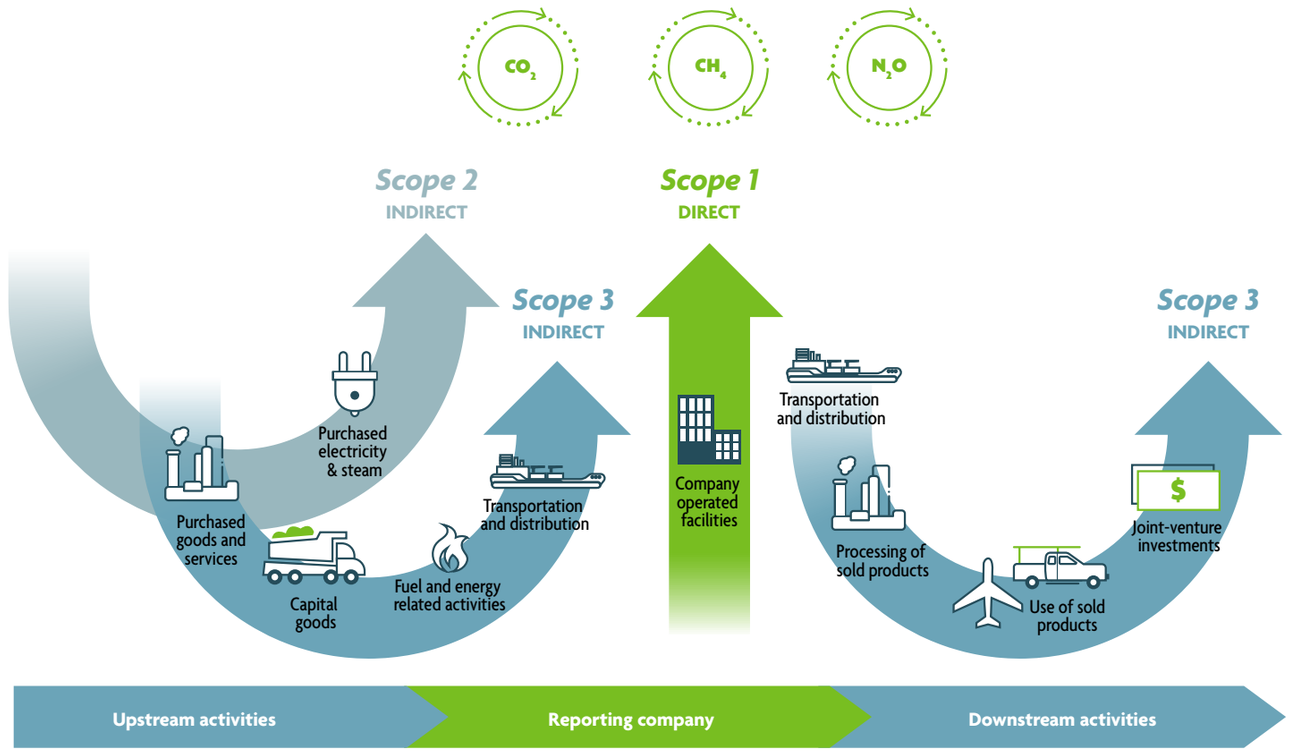
Reaching Canada's ambitious decarbonization goals will not only require changes to the way people use energy, it will also require development of low-carbon, reliable and affordable energy resources. By developing low and zero-emitting products, we have an opportunity to reduce scope 3 emissions. As an example, by transforming our heavy oil into products that are not combusted, like asphalt, our scope 3 emissions are lower than they would be if the heavy oil was refined into energy products like gasoline, diesel and jet fuel.

View Footnotes

The criteria for identifying and reporting scope 1 and 2 emissions is well established, transparent and consistent across industries. However, because reporting scope 3 includes indirect emissions resulting from activities that occur outside our control, it is less certain and less consistent. Evaluating scope 3 emissions and comparing them between companies can be challenging due to inconsistent reporting methodologies and the risk of potential duplication. The majority of Cenovus's indirect scope 3 emissions are captured as direct emissions by entities under the national GHG inventory of the country where the end use occurs. For Cenovus products this is predominantly in the U.S.

Cenovus discloses our estimated scope 3 GHG emissions for our operations on a net equity basis using global guidance from Ipieca[1] and the GHG Protocol. As a fully integrated operator with upstream, downstream and retail operations, Cenovus has estimated scope 3 emissions for all three Category 11 methods. Category 11, the use of sold products, is the most material, with guidance to account for products at the point of extraction, processing or sales. These are not additive. Each method represents a unique estimation method using different boundary conditions. Disclosing these three methods under category 11 enables better comparison of the scope 3 emissions of our business to other oil and gas companies that may be integrated, upstream focused or downstream players, as well as across other sectors. Variance in our year-over-year scope 3 emissions data is primarily due to improved data availability and adjustments to methodology, as well as an increase in production volumes. We will continue to strive to improve our scope 3 estimates as global methodologies align and better data becomes available.

Overview of GHG scopes and emissions across the value chain



Adapted from the Greenhouse Gas Protocol

Total 2021 scope 3 GHG emissions estimated via different methods

Upstream production	OR	Refinery throughput	OR	Retail sales
11.1 method		11.2 method		11.3 method
143.9 MMt CO_2e		98.0 MMt CO_2e		30.8 MMt CO_2e

RISKS & OPPORTUNITIES

Risks

We recognize there are increasing concerns about climate change and potential risks our industry and operations may be exposed to. Climate risks are regularly reviewed and assessed for materiality by subject matter experts, the executive leadership team and our Board, in addition to being reviewed as part of our annual enterprise risk management activities. Regular assessment ensures appropriate risk management priorities are established or updated and focused action and mitigation measures are put in place.

The following table outlines a high-level summary of climate-related risks we face over the short (2022-2026), medium (2027-2035) and long (2036-2050) terms. In alignment with TCFD and SASB, we identify our risks and demonstrate examples of our approach to mitigating these risks. The potential financial impacts of climate-related risks on our business include increased operating, capital or compliance costs, declining demand for our products, reduced access to capital, liquidity and/or insurance coverage and lower market valuation, revenues or cash flows.

Refer to the Risk Management section for a detailed overview of managing climate risk, and to the 2021 MD&A risk factors for a comprehensive description of climate-related transition and physical risks aligned with TCFD.

View Footnotes

TCFD RISK CATEGORY [1]	DESCRIPTION [2]	EXAMPLES OF RISK MANAGEMENT STRATEGIES [3]
Policy and Legal	Decisions made by governments, regulators and courts of law in jurisdictions where we operate have the potential to negatively impact the execution of our business strategy. Cenovus operates in several jurisdictions which are introducing increasingly stringent climate-related policies, including GHG emissions regulations.	• Stress testing our corporate strategy to evaluate financial resilience against a variety of carbon price scenarios. • Advancing policy dialogue with stakeholders and government; advocating for effective policy that provides a balance between environmental, economic and social outcomes. • Participating in the Pathways Alliance to work collectively with the federal and Alberta governments with the ambition of achieving net zero GHG emissions from the companies' oil sands operations by 2050, to help Canada meet its climate goals, including its Paris Agreement commitments and 2050 net zero aspirations. • Maintaining our low cost structure and leveraging our best-in-class reservoirs and leading oil sands emissions performance. • Advancing our plan to achieve our climate & GHG emissions target and long-term net zero ambition. • Meeting and potentially exceeding stringent regulatory compliance in jurisdictions where we operate. • Advocating for Canadian clean fuel standard regulations that incentivize decarbonization in upstream operations.
Technology	We depend on, among other things, the availability and scalability of existing and emerging technologies to meet our business goals, including our climate and GHG emissions target and ambition. Limitations related to the development, adoption and success of these technologies or the development of disruptive technologies could have a negative impact on our long-term business resilience.	• Focusing on technology development, collaboration and innovation to find both incremental and potentially game-changing solutions to reduce the GHG emissions and costs associated with our production. • Partnering with other industries, organizations, academic institutions, scientists and entrepreneurs to find and develop innovative solutions and accelerate the pace of environmental performance improvements. • Leveraging the Pathways Alliance and potential government support to share investment/ costs in clean energy technologies and infrastructure.

TCFD RISK CATEGORY [1]	DESCRIPTION [2]	EXAMPLES OF RISK MANAGEMENT STRATEGIES [3]
Market – Supply and demand, and commodity prices	Increasing focus on the timing and pace of the transition to a lower-carbon economy and resulting trends may affect global energy demand and use, including the composition of the types of energy generally used by industry and individual consumers. Under certain aggressive low-carbon scenarios, potential demand erosion could contribute to commodity price fluctuations and structural commodity price declines. Medium- and long-term demand destruction could be driven by factors such as the ability to conceptualize, develop, commercialize and distribute adequate supplies of alternative energy. Other factors potentially impeding supply and demand include technology development and adaptation, energy consumption patterns, global growth, industrial activity and weather patterns and climate conditions.	• Stress testing our corporate strategy to evaluate financial resilience against a variety of demand and carbon price scenarios, including a low-carbon scenario. • Maintaining our low cost structure and an asset portfolio that allows us to remain resilient and sustainable through the commodity price cycle and as the energy mix diversifies. • Focusing on technology development, collaboration and innovation to find both incremental and potentially game-changing solutions to reduce the GHG emissions and costs associated with our production. • Advancing measured growth in targeted low-carbon business opportunities.
Market – Access to physical markets	Opposition to new and expanded pipeline projects have been influenced by, among other things, concerns about GHG emissions associated with oil development and end-use combustion of fuels. Additional concerns about pipeline spills can create opposition to pipeline projects at a local level. The inability of Cenovus to optimize market access for either the delivery of its production or refining feedstock may impair margins and reduce cash flows.	• Advocating for improved market access that could position Canadian oil producers, including Cenovus, to become global suppliers of choice for responsibly produced oil and displace oil from jurisdictions with lower environmental standards and less transparency. • Maintaining operational integration across the Cenovus value chain to provide optionality. • Increasing long-term optionality through diversification of pipeline commitments, crude-by-rail and marine programs. • Investing in low-carbon intensity offshore assets that are not subject to market access constraints prevalent in Western Canada. • Evaluating potential to build a diluent recovery unit and exploring partial upgrading.
Market – Access to capital	The mandates of institutional investors, credit rating agencies, lenders and/or insurers are evolving to increase consideration of ESG matters – GHG emissions performance, in particular. This could affect Cenovus's ability to access capital and secure adequate or prudent insurance coverage. The future development of our business may be dependent upon our ability to obtain additional capital, including debt and equity financing.	• Maintaining a strong balance sheet and ensuring we have access to multiple sources of capital. • Engaging with our investors, lenders, rating agencies and insurers to address concerns and understand mandates. • Ensuring reporting transparency, including following the recommendations of TCFD. • Embedding ESG targets, including climate and GHG target and ambition, into our business plans and capital allocation decisions.

TCFD RISK CATEGORY [1]	DESCRIPTION [2]	EXAMPLES OF RISK MANAGEMENT STRATEGIES [3]
Reputation	Development of fossil fuels, including the Alberta oil sands, has received considerable negative attention related to environmental impact, climate change, GHG emissions and Indigenous engagement. 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.	• Continuing advocacy efforts to help Canadian oil producers, including Cenovus, be recognized as global suppliers of choice for responsibly produced oil. • Upholding our core values and Sustainability Policy. • Building and maintaining positive and mutually beneficial relationships with local Indigenous communities. • Maintaining a commitment to transparent ESG disclosure including progress on plans to achieve our targets and ambition. • Responsibly developing oil and natural gas assets in a safe, innovative and efficient way.
Acute Physical Climate Risk	Cenovus's exploration, construction and production operations, and the operations of major customers and suppliers, can be affected by floods, forest fires, earthquakes, hurricanes, typhoons and other extreme weather or geologic events. Climate change may increase the frequency of severe weather conditions, which may impact our business and financial results. Climate change may also contribute to the melting of northern ice, increasing the creation of icebergs. Icebergs off the coast of Newfoundland and Labrador may threaten Atlantic oil production facilities, damage assets, disrupt production or have human impacts.	• Engineering our facilities and equipment to withstand extreme weather. • Maintaining our policies and programs to protect people, equipment and the environment in the event of extreme weather conditions. • Maintaining a robust ice management program for our Atlantic operations. • Maintaining robust typhoon plans for our Asia Pacific operations in coordination with business partners. • Maintaining up-to-date emergency response plans and conducting regular emergency management exercises. • Maintaining a comprehensive insurance program. • Developing water management plans for all our operations.
Chronic Physical Climate Risk	Our exploration and production activities are subject to chronic physical risks such as a shorter timeframe for our winter drilling program, changes in water tables and reduced access to water due to drought conditions.	• Similar risk management strategies as for Acute Physical Climate Risk. • Using technology to access remote locations and conduct year-round reclamation activities. • Reducing our fresh water requirements and developing water management plans for all of our operations.

Opportunities

We intend to continue enhancing our plans to optimize our heavy oil value chain, while reducing emissions and costs, and increasing product value. This will help position us to remain resilient in a world of energy diversification and rising GHG emissions compliance costs.

In the table that follows, we've identified ESG-related opportunities based on Cenovus's current strategic position. Seizing these 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, or greater access to capital, liquidity and/or insurance coverage.

OPPORTUNITY & EXAMPLES OF POTENTIAL BENEFITS [1]	EXAMPLES OF CENOVUS'S ACTIONS [2]
Resource efficiency Potential to improve efficiencies across our operations and contribute to global efforts to curb emissions and reduce environmental impact while also achieving direct cost savings over the medium to long term.	• Maintaining an industry leading SOR in the oil sands; consistently applying Cenovus's oil sands operating practices across the thermal portfolio. • Testing SAGD enhancement technologies, such as solvents, to improve performance and reduce costs while limiting our environmental impacts. • Collaborating with industry peers to improve environmental performance and reduce operating costs by developing new technologies. • Generating offsets and emissions performance credits through energy efficiency and emissions reduction activities under government regulations.
Energy source Opportunity to shift toward low-emission energy sources could potentially save on annual energy costs while also lowering overall emissions.	• Using cogeneration at our Foster Creek, Christina Lake, Lloydminster Upgrader, Lloydminster Ethanol Plant and Rainbow Lake facilities. • Transitioning from natural gas-driven pneumatic devices to solar or grid-powered electrical chemical injection pumps where feasible. • Entering into a PPA for solar-powered electricity and the associated emissions offsets. • Using electricity from the grid instead of diesel engines to power drilling rigs at our oil sands sites.

View Footnotes

OPPORTUNITY & EXAMPLES OF POTENTIAL BENEFITS [1]	EXAMPLES OF CENOVUS'S ACTIONS [2]
Products and services Opportunity to develop lower-emission products and services may improve our competitive position and capitalize on the global efforts to curb emissions and reduce environmental impact.	• Actively partnering with other industries, organizations, academic institutions, scientists and entrepreneurs to find innovative solutions and develop sustainability initiatives. • Leveraging the Pathways Alliance initiative and potential government support to invest in low-carbon and carbon capture technologies and infrastructure. • Producing lower-carbon products such as natural gas, asphalt and low-carbon ethanol. • Producing corn oil, which is used to make renewable diesel, at our Minnedosa Ethanol Plant. • Advancing technology development of non-combustion bitumen products (Bitumen Beyond Combustion). • Exploring small modular nuclear reactors as a source of net zero heat and power for our assets. • Advancing measured growth in targeted low-carbon business opportunities.
Markets Opportunities in new markets or types of assets may assist Cenovus in being better positioned for the transition to a lower-carbon economy.	• Using cogeneration at our Foster Creek, Christina Lake, Lloydminster Upgrader, Lloydminster Ethanol Plant and Rainbow Lake facilities and selling surplus electricity to the Alberta and Saskatchewan grids. • Entering into a PPA for solar-power produced electricity and the associated emissions offsets. • Advocating for improved market access to become global suppliers of choice for responsibly produced oil. • Investing in low-carbon intensity offshore assets that produce natural gas and natural gas liquids in Asia Pacific and light oil in Atlantic Canada. • Leveraging the Pathways Alliance initiative and potential government support to invest in low-carbon and carbon capture technologies and infrastructure. • Exploring opportunities in alternative end-use markets, including biofuels and asphalt.
Resilience Opportunities for Cenovus to develop adaptive capacity to respond to climate change and allow us to be better positioned to thrive in a lower-carbon economy.	• Maintaining an asset portfolio that allows us to remain resilient and sustainable through the commodity price cycle and as the energy mix diversifies. • Employing the right business model and people to achieve our ESG targets while maintaining focus on our low cost structure, generating free funds flow and growing shareholder returns. • Focusing on technology development, collaboration and innovation to find both incremental and potentially game-changing solutions to environmental challenges.

Scenario analysis

Scenario development

In 2021, we developed internal energy diversification scenarios to test the resiliency of our business and strategy and help inform decision-making.

These scenarios consider several variables, such as the supply and demand outlook for crude oil and other forms of energy, electric vehicle (EV) penetration rates, transportation infrastructure, behavioural changes, technological availability and stated climate policies in various regions around the world.

Based on the key inputs, we created three long-range energy diversification scenarios, which we believe capture a realistic range of potential outcomes:

REFERENCE CASE

In this scenario, we continue to see crude demand growth into the mid-2030s with a gradual plateau and decline in the early 2040s. Federal and provincial carbon policies remain status quo.

ACCELERATED DIVERSIFICATION

In this scenario, there is an increase in vehicle efficiencies and EV penetration, and carbon policies accelerate. These factors result in restrained long-term petroleum demand growth potential.

AGGRESSIVE DIVERSIFICATION

In this two degree-aligned scenario, there is an accelerated pace of crude demand destruction, with heavy oil and refined product pricing reaching a plateau in the mid 2030s and declining thereafter. Carbon policies accelerate further and become more stringent.

Forecast global oil demand under all of these scenarios fits within a diverse range of third-party forecasts. The more aggressive diversification scenario closely resembles the International Energy Agency (IEA) Sustainable Development scenario curve from 2025 through 2040.

CLIMATE-RELATED SCENARIO ANALYSIS

The purpose of climate-related scenario analysis is to better understand how a business might perform under different future states. Scenarios allow an organization to develop an understanding of how the physical and transition risks and opportunities of climate change might plausibly impact the business over time.

What is a scenario?

- A scenario describes a path of development leading to a particular outcome.
- Scenarios are not intended to represent a full description of the future, but rather to highlight central elements of a possible future and to draw attention to the key factors that will drive future developments.
- They are hypothetical constructs, not forecasts, predictions or sensitivity analyses.

Source: TCFD

As such, a scenario analysis should not, in any way, be construed as an expected future outcome of Cenovus's business, or as providing an indication of the expected results of Cenovus's operations, for any of the periods presented.

Testing our resilience

We have evaluated how our current portfolio performs under Cenovus's energy diversification scenarios in order to understand the key risks to the business as well as the actions and opportunities available to the company.

In addition to commodity price and demand assumptions in each of the energy diversification scenarios, we applied two carbon pricing scenarios – a Base Carbon Policy case which assumes current federal and provincial carbon policies remain unchanged and a Paris-Aligned scenario, which would see more stringent emissions allocation benchmarks and higher carbon compliance costs in North America. For Canadian assets, the Base Case has carbon price escalating from $50/tonne in 2022 and reaching $170/tonne in 2030. The Paris-Aligned Case continues to escalate after 2030 until it reaches $300/tonne and stays flat from 2039 onward. For non-Canadian assets our global carbon policy assumptions reflect current policies in relevant jurisdictions, and from 2030 onward mirrors the Paris-aligned scenario. We have also layered in varying cost of capital ranges, with an expectation that capital would become more expensive and difficult to access in the more aggressive diversification scenarios. It should be noted that the commodity pricing assumptions we tested in the Aggressive Diversification scenario are even lower than those embedded in IEA's Sustainable Development scenario.

The results of our analysis reinforce our belief that our business plan positions us to remain resilient and generate significant free funds flow over the coming decades under the majority of Cenovus's energy diversification scenarios. A combination of aggressive demand destruction and Paris-aligned carbon costs could have the potential to

adversely affect our ability to generate free funds flow within the later timeframe of our analysis. However, in the event that we are faced with more accelerated constraints with our current business model, we would make strategic decisions to ensure we are well positioned to remain resilient in this particular type of scenario.

In all scenarios, we will focus on optimizing our business while continuing to reduce emissions and costs, and increase product value. Commodity prices have the greatest impact to Cenovus's business and are the most significant driver of our ability to generate free funds flow. As part of our disciplined approach to capital allocation, we will continue to evaluate all opportunities based on a US$45 per barrel WTI price. We believe this approach positions us to be financially resilient in a low commodity price environment that is consistent with a more aggressive energy diversification scenario. In addition, our large, long-life and low-cost reserves are expected to help us remain a global supplier of choice in a highly competitive, lower-carbon economy. We believe that by continuing to produce our resources responsibly and reduce emissions, Cenovus is well-prepared to help meet the world's demand for affordable, reliable energy needed for transportation fuel and as a building block for products we use every day. We will continue to explore key strategic initiatives to further strengthen and diversify our business model over time, and remain nimble as our views on policy, markets and technology evolve. Any decisions to further diversify or shift the focus of our asset portfolio would be weighed against, among other things, existing opportunities to create shareholder value. These opportunities are thoroughly researched and analyzed, and reviewed by the Board to ensure we have the relevant competencies to remain competitive.

Signposts

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. Monitoring these signposts helps 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 identified trends, conversations with investors and assessment of the overall business, policy, economic, social and technology environment.

The key signposts we monitor include:

- Global oil and gas fundamentals
- Transportation efficiencies (in internal combustion vehicles as well as electric vehicles)
- International carbon policies
- Advances in other energy technologies (cost and feasibility of CCS, nuclear, etc.)

GOVERNANCE

- The Board approves our corporate strategic plans, which takes into account opportunities and risks to our business, including those related to climate & GHG emissions. The Board delegates oversight of certain climate-related matters to each of the Audit Committee and the Safety, Sustainability and Reserves (SSR) Committee.
- GHG targets are factored into annual capital allocation planning and Investment Committee processes.
- Carbon compliance costs and GHG profile impacts are factored into acquisition and divestiture decisions.
- Progress towards our climate & GHG target and ambition is guided by the executive leadership team and overseen at the Board committee level.
- Climate & GHG performance is measured, reported and publicly disclosed annually in our ESG report.
- Climate & GHG performance is included in our annual corporate performance scorecard.

For a complete overview of our sustainability governance, refer to ESG Governance.

6 WATER STEWARDSHIP

View Footnotes

WATER STEWARDSHIP PROGRESS

TARGET

Reduce fresh water intensity by 20% in oil sands by year-end 2030.

PROGRESS

2019 base year
Oil sands
0.15
bbls water/BOE

2021
0.12
bbls water/BOE

2021 KEY MILESTONES

Target reached[1]

WHAT'S NEXT [2]

- Maintaining our lower fresh water intensity in oil sands.
- Refining our water forecast.
- Implementing new processes or reservoir strategies when appropriate to enhance our fresh water efficiency.
- Implementing water management plans across the business.

Reduce fresh water intensity by 20% in thermal operations by year-end 2030.

PROGRESS

2019 base year
Thermal operations
3.6
bbls water/BOE

2021
3.7
bbls water/BOE

2021 KEY MILESTONES

- Stood up multi-disciplinary team to **identify and assess** fresh water intensity reduction levers.
- Implemented more detailed **reservoir monitoring** to support steaming strategies.

WHAT'S NEXT [2]

- Review of options to decrease fresh water intensity; progression of select options to more detailed assessment.
- Implementing water management plans across the business.

Water is essential to people and to our operations, and Cenovus strives to be a good steward of this resource.

Reducing impacts to the environment through responsible water management is important to us and to stakeholders in the watersheds where we operate. Water stewardship not only improves environmental outcomes, but also the security of our water supply, ensuring cost effective and uninterrupted operations.

We assess and act on water availability risk at the local level, with consideration of stakeholders, future demand, regulations and changes in climate. We also continue to find innovative ways to decrease the fresh water intensity at our operations, and be more efficient with how we produce, source and discharge water.

METRICS & TARGETS

We have set a target to reduce fresh water intensity by 20% in our oil sands operations and in our thermal operations by year-end 2030 from 2019 levels. This target is supported by our commitment to develop water management plans across our operations by year-end 2025. Oil sands and thermal operations represent approximately 94% of the fresh water used in Cenovus's upstream operations.

STRATEGY

Cenovus uses water for the steam processes at our oil sands and thermal projects, for enhanced recovery of light and heavy oil, refining and upgrading processes at our downstream facilities, drilling and completing wells, and building and maintaining our sites. Water metrics are tracked across all business units and activities.

We have procedures and programs in place to ensure our activities are protective of water quality.

We're establishing water management plans to improve water stewardship and ensure we identify and address water risks across all our operations. Our efforts to complete these plans are underway and we've set up benchmarks for the next four years to track our progress. Water management plans help us improve the way we source, transport, store, reuse and dispose of water.

The plans are used alongside water expertise embedded throughout our business to mitigate risks to fresh water quantity and quality in the planning, operating and late-life stages of our operations. The large-scale water reuse system we implemented at our Lima Refinery in 2019 is an example of a water risk mitigation we identified and acted on. The system has decreased our discharge water quality risk and reduced our fresh water use by more than 2 million cubic metres per year.

Specific to both our oil sands and thermal operations, we plan to leverage existing and new technologies to improve water processing, recycle efficiency and reservoir strategies to reduce SOR.

While we met our fresh water target in oil sands operations in 2021, there's more work to do, and our strategy is focused on maintaining our low fresh water intensity. We constantly manage our water balance and implement new strategies to optimize water processes to ensure our fresh water intensity remains low. The use of alternative water sources also remains key. Our oil sands operations at Foster Creek and Christina Lake recycle produced water – that is, water that is brought to the surface during the production of bitumen – and use primarily saline groundwater. Our Sunrise oil sands facility also recycles produced water in addition to recycling wastewater from a neighbouring company's mine tailings ponds, a mutually beneficial arrangement.

Water sourcing and efficiency considerations are integrated into our strategic plan for oil sands and thermal operations, including as part of our annual capital allocation planning. Levers available to maintain lower fresh water intensity in oil sands include:

- Recycling higher produced water volumes.
- Implementing alternate cooling processes (where we now use fresh water cooling).
- Expanding water treatment infrastructure to increase capacity for saline sources.

Ways to improve our thermal fresh water intensity will be further developed in 2022. As a starting point, we are leveraging our extensive oil sands facility experience to optimize water treatment and steam generation processes. We have also advanced more detailed reservoir monitoring to support future steaming strategies. Potential levers requiring further assessment include:

- Incorporating supplemental saline water streams.
- Implementing new processes to achieve full or partial recycle at new or existing projects.
- Use of non-condensable gas in late reservoir life.

We participate in industry efforts to advance research in water efficiency and recycling technologies for thermal operations.

Through Canada's Oil Sands Innovation Alliance's (COSIA) water environmental priority area, we share what we've learned in collaborative working groups and support technical studies to improve our industry's fresh water performance. Through the Water Technology Development Centre, we collaborate with other operators to pilot technologies at a live test facility designed to reduce the time needed to develop and commercialize new technologies.

Our water stewardship focus area supports Sustainable Development Goal 6 – targets 6.3, 6.4, 6.5.

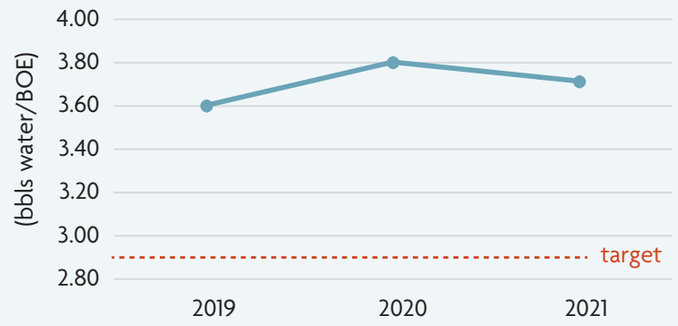
2021 PERFORMANCE

In 2021, we met our target of reducing fresh water intensity by 20% in oil sands operations relative to 2019, as we increased our use of alternative water sources. This sets us up for the challenge of maintaining our lower fresh water intensity.
In thermal operations, our fresh water intensity increased slightly to 3.7 from 3.6 in 2019 but improved slightly over 2020[1]. We stood up a multi-disciplinary team to identify and assess fresh water intensity reduction levers, which we anticipate will better position us to make progress towards our target in the coming years.

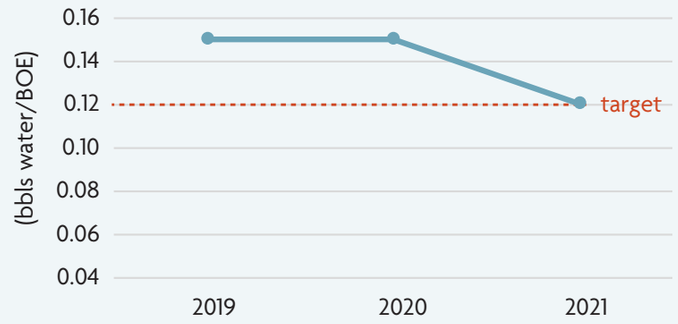
Our fresh water withdrawals are assessed on the World Resources Institute Aqueduct Baseline Water Stress map, which measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. In 2021, 2% (or about 0.55 million cubic metres) of Cenovus's fresh water withdrawals for industrial use occurred in areas of high baseline water stress, 8% were from areas unrated for baseline water stress (where we are permitted to withdraw fresh water based on our demonstration of sustainability) and 90% occurred in areas with low to low-medium baseline water stress, where water availability is good.

View Footnotes

Thermal fresh water intensity[2]



Oil sands fresh water intensity[2]



View Footnotes

Alberta oil sands

Water volumes for oil sands operations at Christina Lake, Foster Creek, Sunrise and Tucker[1] are included in the Alberta Energy Regulator's (AER) Water Use Performance Report. Most of the water we use at these facilities (96% or 68 million cubic metres) is drawn from water sources considered by the AER as alternatives to high quality fresh water. These include recycled produced water (84%), saline groundwater (10%), process-affected water from a neighbouring company's tailings ponds (2%) and fresh water in contact with bitumen (1%). The remaining 4% of oil sands water use is sustainable withdrawal from high quality fresh water sources.

In 2019, our base year for the water target, fresh water intensity at our oil sands operations was approximately 0.15, meaning 0.15 of a barrel of fresh water was used to produce one barrel of oil. In 2021, our fresh water intensity in oil sands operations was 0.12 meaning that we've been successful in achieving the lower intensity we aimed for. This fresh water intensity outperforms the average of all Alberta in situ oil sands producers and contributes positively to COSIA's commitment to reduce overall fresh water intensity to 0.18 by 2022.

Efforts to reach this target included increasing saline water use at Foster Creek and recycling more water at Christina Lake, along with other facility optimizations. Keeping it up won't be easy, and we still have work to do. As we develop new areas of our oil sands reservoirs and reach maturity in others, our fresh water intensity levels are expected to fluctuate. Managing water usage at these facilities requires balancing a number of different factors, and our teams are continually finding new ways to optimize operations and potentially implement new processes to sustain our high efficiency standards.

MANAGING WATER AT OUR OIL SANDS FACILITIES

Cenovus uses recycled produced water as our primary water source for steam generation in our oil sands assets. This is supplemented with saline groundwater and fresh groundwater, and at our Sunrise facility we also use tailings pond water from a nearby mine.

The produced water at each oil sands facility changes in volume and quality over time as different areas of our reservoirs mature and new reservoir pads are developed. Similarly, steam demands change over time. Each supplemental source has operational or regulatory factors that limit how much we can turn the taps on and off as we adjust to produced water volume changes.

Although oil production may be steady, the balance of water volumes and qualities associated with that production is constantly changing. Our facilities continually work to manage that balance while minimizing our use of fresh water.

Thermal projects in Saskatchewan

Our Lloydminster thermal projects include 11 smaller facilities (most with nameplate production capacity of 10,000 bbls/d), which rely on an available supply of water from the North Saskatchewan River. Cenovus water licences for the Lloydminster thermal projects represent approximately 0.3% of the North Saskatchewan River's annual average flow. Water withdrawals were higher in 2021 at 21 million cubic metres due to the first full year of production at the Spruce Lake Central thermal project, and increased steam injection at all of our thermal operations. While the overall water volume increased, our oil production increased even more, which is why our 2021 fresh water intensity for thermal operations decreased to 3.7, down from 3.8 in 2020.

Reducing the fresh water intensity of Lloydminster thermal operations requires a different approach compared with the water treatment processes already in use at our oil sands operations. Thermal plants are smaller and have shorter lifespans than an oil sands plant and are not well-suited to water process retrofits. Many of the thermal plants are closer to the end of their lifetime than the beginning, and usable saline water sources are not as readily available.

In late 2021, experts from across the business – including the development team, process engineering, water management, innovation, reservoir engineering, production engineering, site operations engineering and business opportunity development – began working on a framework to reach our target for thermal operations.

GOVERNANCE

- Environmental and water experts embedded in our corporate and business teams work together to meet or exceed regulatory compliance in minimizing impacts to fresh water and the marine environment. This work in our daily operations is supported by a robust water governance framework.
- Progress towards our water stewardship target is guided by the executive leadership team and overseen at the Board committee level.
- We measure key water metrics and present them in dashboards to support our operational leadership team's management of water.
- We annually report on, and publicly disclose, our water use performance in our ESG report.

For a complete overview of our sustainability governance, refer to ESG Governance.

RISK MANAGEMENT

Water-related risks and opportunities are formally identified, assessed and evaluated through asset and enterprise-level risk assessment exercises which are informed by our water management plans. Strategic risks associated with water stewardship are reviewed and evaluated for materiality on an annual basis. This review helps us establish and update priorities for focused action and mitigation.

We engage both directly with policy makers and through industry associations such as the Ipieca Water Working Group and Canadian Association of Petroleum Producers (CAPP) Water Committee to ensure we are aware of emerging risks and apply industry best practices to mitigate them.

We manage water availability risks in our oil sands regions through extensive monitoring of our fresh water withdrawals. Our participation in the Oil Sands Monitoring program enhances our understanding of cumulative effects to water from development in the oil sands region. Potential availability constraints identified through this program inform our water source planning.

At our Lloydminster thermal operations, we invest in research to understand longer-term physical availability risks of the river source, factoring in aspects of climate variability.

As a result of our risk assessment programs, we have taken actions to address water quality risks.

For a comprehensive overview of water-related risks, refer to the risk factors included in our 2021 MD&A.

7 BIODIVERSITY

View Footnotes

BIODIVERSITY PROGRESS

TARGET

Reclaim 3,000 decommissioned well sites by year-end 2025.

PROGRESS

2021

421

reclamation certificates

2019 - 2021

48.5%

toward target

(1,455 reclamation certificates)

2021 KEY MILESTONES

- Completed **908** initial reclamations.
- Planted **504,185** trees on reclaimed sites in our conventional and oil sands areas.
- Received **421** reclamation certificates.
- Submitted **654** reclamation certificate applications which are expected to result in the issuance of reclamation certificates in 2022.

WHAT'S NEXT [1]

Continue to actively progress our existing reclamation inventory to site closure.

TARGET

Restore more habitat than we use in the Cold Lake caribou range by year-end 2030.

PROGRESS

Life to date

198,899

total caribou habitat under restoration (acres)

2016 - 2021

41.1%

toward target

2021 KEY MILESTONES

- Treated **185 km** of linear features.
- Planted **418,000** trees through the Caribou Habitat Restoration Program.
- Successful **restoration** trials completed.

WHAT'S NEXT [1]

Treat approximately 200 km of linear features in 2022.

Continue restoration trials that introduce innovation and efficiencies into our program **(see p. 67 for more).**

Reduce standard size of observation well footprint to 50 m from 80 m, reducing the amount of land disturbed.

Good planning starts with the end in mind. For Cenovus, this not only means considering how productive our energy assets will be, but also understanding how our operations affect surrounding ecosystems and biodiversity, and what we need to do to restore land when we are done. Each of our asset areas is unique. We plan ahead to determine the most comprehensive approach to address ecological, wildlife and land use impacts.

METRICS & TARGETS

Our commitment to biodiversity is reflected in our two targets:

- Reclaim 3,000 decommissioned well sites by year-end 2025
- Restore more habitat than we use in the Cold Lake caribou range by year-end 2030

The 3,000 well sites represent approximately 60% of our existing reclamation inventory, which we will be actively progressing to regulatory closure by year-end 2025.

STRATEGY

By planning ahead, we avoid disturbing land where possible, and then mitigate and restore land used for operations. From upfront project planning to an asset's retirement, we take biodiversity considerations into account and identify potential impacts so they can be avoided, minimized or mitigated to maintain healthy, functioning ecosystems. By proactively managing our approach to biodiversity, we not only minimize the environmental impacts, we achieve regulatory site closures sooner and restore functioning ecosystems even earlier.

Pre-disturbance planning includes:

- Reservoir knowledge, field assessments and advanced Geographic Information System (GIS) tools to plan oil sands well pads and access corridors to minimize habitat impact, manage vegetation and maintain soil quality.
- Soils, vegetation, habitat assessment and mitigation, and regeneration planning prior to clearing trees for a conventional gas well.
- Optimize clearing and revegetation in consideration of site conditions, to avoid wildlife impacts and speed up recovery of stratigraphic wells and seismic lines.

While operations are underway, we take actions that support productive land use and minimize impact to biodiversity, including:

- Vegetation management to reduce invasive plants, promote desirable natural vegetation and stabilize soils.
- Spill prevention.
- Limiting traffic and reducing speed and noise to reduce wildlife disturbance and collisions.
- Ensuring soil salvage piles are signed and maintained so we have adequate materials for future reclamation.
- Conserving soil and woody debris so that sites can be reforested once operations are complete.

When we cease operations at a well or facility, we retire the asset in a responsible manner. Reasonable efforts are made to re-use, sell, transfer, salvage or recycle materials associated with our decommissioning activities. Cenovus uses the Area Based Closure (ABC) program in asset retirement activities, a program-based approach that facilitates addressing larger and neighbouring areas at the same time, starting remediation work and the restoration of land and habitat more quickly. ABC involves ensuring all scopes of work, including well abandonment, pipeline abandonment, facility decommissioning, remediation and reclamation, are planned and completed to effectively progress sites to closure.

Cenovus was instrumental in the development of the ABC program with the AER. We shared what we learned with our peers in several AER working groups as well as at industry sessions. The Alberta ABC program provides transparency for the public to see where all the planned asset retirement activities are taking place through AER's one-stop mapping.

With respect to our restoration target, woodland caribou are listed as threatened under Canada's Species at Risk Act, and habitat restoration is widely understood to be a cornerstone for caribou recovery. Cenovus's Caribous Habitat Restoration Project is the largest of its kind in the world. The program involves restoring up to 4,000 kilometres of linear land disturbances and progressing our tree planting program.

Site preparation, which includes tilling or mounding the soil to improve growing conditions for planted trees, followed by tree planting, has been shown to increase the survival and growth rates of planted seedlings and reduce both the likelihood of use and travel speed by wolves that prey on caribou. Our target ties restoration area to the area of disturbance used for operations, referred to as a restoration ratio, which allows us to measure our progress against our activities and ensure we restore more land than we use. We believe this ambitious goal is unique among resource industries and sets Cenovus apart.

Our Biodiversity focus area supports Sustainable Development Goal 15 – target 15.2, 15.5, 15.a.

2021 PERFORMANCE

With a focus on restoring land in the ecosystems where we operate, we progressed a significant amount of well site inventory toward regulatory closure in 2021. We submitted 654 reclamation certificate applications, which means land would be returned to near-equivalent pre-disturbed land capability. Between 2019 and 2021, we received 1,455 reclamation certifications, including 421 in 2021.

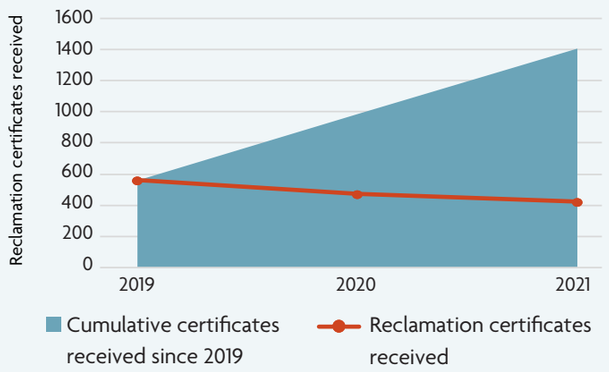
While we remain on track for our biodiversity targets, the total number of reclamation certificates received was lower in 2021 compared to 2020 due to drought conditions that impacted vegetation establishment on several sites. We have a dedicated team committed to conducting the necessary follow-up reclamation work to ensure we are continuously progressing sites to closure in 2022. Our current performance puts us close to halfway to our target of decommissioning 3,000 sites by year-end 2025.

The reclamation acreage increased significantly in 2021 due to initial reclamation work undertaken on recently abandoned well sites. Initial reclamation is the first step toward fully restoring sites, a process that involves recontouring, soil replacement and re-establishing vegetation. In 2021, we completed 908 initial reclamations, a record number for Cenovus.

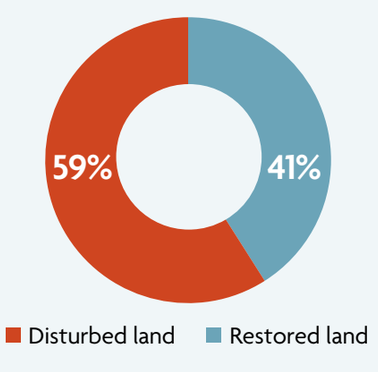
Our target to restore more land than we disturb in the Cold Lake caribou range is measured through our restoration ratio. This ratio compares our area treated for restoration against our total leased land within the Cold Lake caribou range. We are currently 41.1% towards our 2030 target, which means we have restored 198,899 acres within the 484,462 acres of disturbed leased land in caribou habitat. As we restore linear features, some of them extend beyond the caribou habitat boundary and do not contribute towards our target. However, this demonstrates our commitment to addressing ecological, wildlife and land use impacts. Since 2016 we have treated more than 1,100 kilometres of linear features, including 185 kilometres in 2021.

We reinitiated a significant amount of treatment following stoppages in 2020 as a result of COVID-19. In addition, we have made incremental improvements in processes and efficiency each year which have allowed us to treat and plant more area. In 2021, we planted 418,000 trees through the Caribou Habitat Restoration Project specifically, and 922,185 in total in our reclamation program.

Well site reclamation



Caribou habitat restoration



GOVERNANCE

- Progress toward our biodiversity targets is guided by the executive leadership team and overseen at the Board committee level.
- We manage land use by avoiding disturbance where possible and through mitigation and restoration of land used for operations. From upfront project planning through to an asset's retirement, we identify potential impacts so they can be avoided, minimized or mitigated.
- As each asset area is unique, we complete significant planning and analysis to determine the most comprehensive approach to managing an asset's lifecycle.
- Program progress is tracked against key performance metrics.
- A cross-functional Caribou Task Team meets regularly to ensure ongoing communication and alignment.
- We fund and/or participate in regional initiatives and industry committees contributing directly or indirectly to species and habitat research, monitoring and mitigation.
- We implement and share innovative programs and practices through industry partnerships and conferences.

For a complete overview of our sustainability governance, refer to ESG Governance.

RISK MANAGEMENT

Biodiversity-related risks and opportunities are formally identified, assessed and evaluated through asset and enterprise-level risk assessment exercises. Risks associated with biodiversity and land use are reviewed and assessed for materiality on an annual basis. This review helps us establish and update priorities for focused action and mitigation. We actively prioritize our asset retirement portfolio to ensure we are managing safety, environmental risk and work required by regulation.

The decline in caribou population has historically ranked as a top priority for Cenovus, and caribou habitat restoration continues to be a focus. Continuing our Caribou Habitat Restoration Project, which focuses on land restoration within the Cold Lake caribou range, is one of the key ways we support caribou habitat.

Environmental risk is managed throughout the lifecycle of our wells and facilities. Our asset retirement portfolio is actively managed to progress all sites to remediation and reclamation, as quickly as is feasible. We conduct environmental site assessments ahead of well abandonment to assess the area for environmental impacts associated with operational activities, making us aware of any potential issues before starting our abandonment activities.

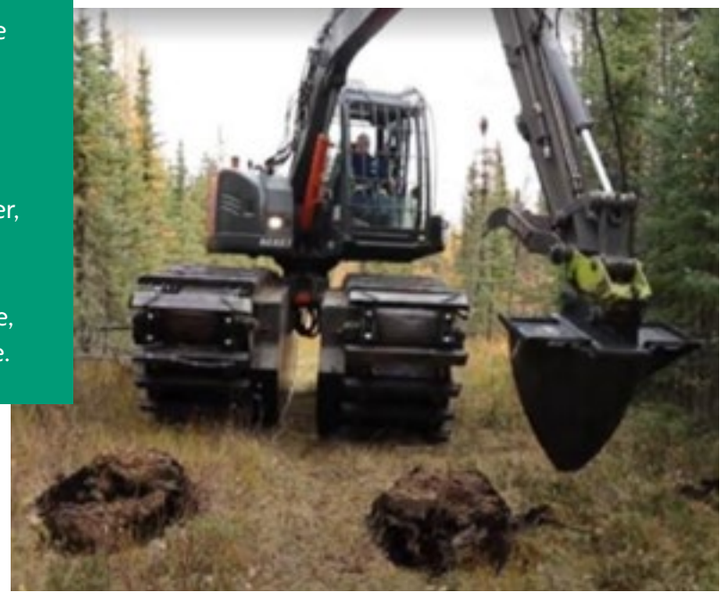
Work is prioritized to ensure we meet or exceed stringent regulatory requirements and we are committed to meeting the annual provincial liability reduction targets in British Columbia, Alberta and Saskatchewan. These programs seek to better manage the inactive well inventory and expedite reclamation closure efforts, which directly aligns with Cenovus's corporate strategy.

For a comprehensive overview of biodiversity-related risks, refer to the risk factors included in our 2021 MD&A.

RESTORATION TECHNOLOGY TRIALS

From remote-controlled operations to farming technology and tow-behind implements on amphibious excavators, Cenovus is finding creative and cost-effective ways to restore land in the Woodland Caribou Conservation area. A 2021 project trialed several new technologies to deliver restoration treatments, with different approaches tested to best suit the needs of low, medium and high ground. The trial took place in the field in October 2021, south of our Foster Creek operations.

The technologies included using an amphibious excavator to create elevated mounds and using implements similar to those used for small-scale agriculture towed behind a prime mover to create microsites. We also tested the remote-controlled operation of an amphibious excavator. Early findings show that small-scale tow-behind implements have the ability to create plantable microsites quickly and cost-effectively. Further, using new methods to create elevated mounds could rapidly accelerate recovery timelines. Additionally, our initial results show that the remote-control option is simple and easy to use, and may be useful for sensitive areas and to keep workers safe.



8 INDIGENOUS RECONCILIATION

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INDIGENOUS RECONCILIATION PROGRESS

TARGET

Achieve a minimum $1.2 billion of spending with Indigenous businesses between 2019 and year-end 2025.

PROGRESS

2021
$215 million

2019-2021
$629 million

2021 KEY MILESTONES

52%
of the way to target spend

- Evolved existing request for proposal (RFP) contracting and evaluation processes to include the identification of Indigenous businesses.

WHAT'S NEXT [2]

Finding and assessing new opportunities for spending with Indigenous businesses, with an added focus on areas that have not used Indigenous businesses to date. Working together with individual business units, supply chain management and community and Indigenous affairs to implement RFP contracting and evaluation processes that include the identification of Indigenous businesses.

TARGET

Attain gold Progressive Aboriginal Relations (PAR) certification from the Canadian Council for Aboriginal Business (CCAB) by year-end 2025.

PROGRESS

Certification efforts
launched

2021 KEY MILESTONES

- Completed **Phase 1** of CCAB PAR program[1].
  - Indigenous Relations Policy training.
  - Indigenous Inclusion Advisory Committee support.
  - Gap analysis.

WHAT'S NEXT [2]

Continue to progress each phase of gold PAR certification including ongoing gap analysis and action plans.

Investing in Indigenous communities near our operations and ensuring they share in the benefits of resource development is an important part of how we do business. Our efforts to take meaningful action on Indigenous reconciliation include consultation, building trust and enabling long-term economic and social value by supporting Indigenous businesses.

METRICS & TARGETS

We set targets to spend a minimum of $1.2 billion with Indigenous businesses from 2019 to year-end 2025 inclusive, and achieve PAR gold certification from the Canadian Council for Aboriginal Business by year-end 2025.

STRATEGY

Based on our years of working with Indigenous communities, Cenovus focuses on engagement practices that are based on community needs and expectations, and scale of projects. The strategy focus areas are:

- Consultation
- Relationships
- Employment
- Investment
- Business
- Benefit agreements (Oil sands)

Using these focus areas guides our approach to meet communities' needs and provide meaningful engagement and business opportunities. Read more.

Indigenous business development is engrained in how Cenovus operates. We integrate Indigenous business considerations into supply chain to achieve our Indigenous business spend target. Furthermore, business functions work closely with the company's community and Indigenous affairs experts to identify Indigenous businesses that could provide goods and services to Cenovus. As relevant opportunities arise, they are assessed for potential inclusion, with a priority placed on those closest to our operations. Typically, Indigenous businesses include a mix of community-owned businesses, community joint venture partnerships and individual entrepreneurs.

UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES (UNDRIP)

Cenovus acknowledges UNDRIP as an important set of international standards that recognizes the human rights of Indigenous people and helps guide reconciliation. While UNDRIP has many provisions, we understand that free, prior and informed consent is an important aspect of respecting Indigenous rights through meaningful consultation and inclusion.

Our Indigenous reconciliation focus area supports Sustainable Development Goal 10 – target 10.2.

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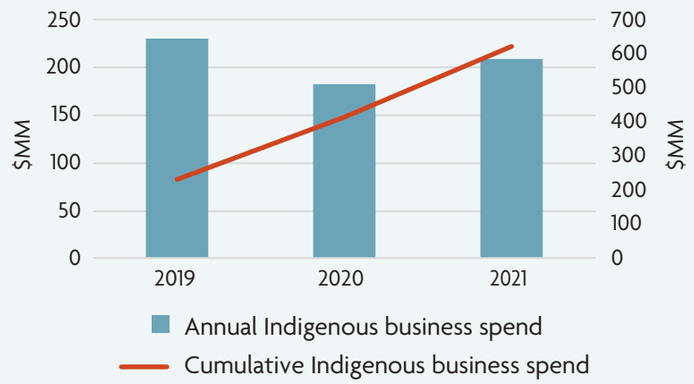
2021 PERFORMANCE

Working with Indigenous communities near our operations is an opportunity to meet our labour and service needs while strengthening local economies and building relationships. In 2021, we made significant progress toward our target spending with Indigenous businesses. We continued our engagement efforts, and improved tracking and reporting. Our 2019-2021 spend on goods and services provided by local Indigenous businesses was $629 million, including $215 million in 2021. This puts us more than halfway to meeting our target. Since 2009, we've spent approximately $3.4 billion on goods and services with Indigenous businesses – ranging from camp services to providing earthworks and for operations commodity chemicals.

We are committed to implementing best practices, including creating opportunities in the Indigenous communities where we work and to reducing barriers to employment within our own operations. The CCAB PAR program is Canada's only certification program focused on best practices in Indigenous relations. Gold level is the highest standard that can be achieved. It is a three-phase process, with the first phase designed to identify any shortcomings. We completed phase one in May 2022. The next step includes developing a plan to address those gaps, with the ultimate goal of strengthening our relationship with the Indigenous communities near our operations, ensuring they further share in the benefits of resource development and building long-term mutual understanding and respect.

Indigenous business spend[1]



Since we launched our Indigenous Housing Initiative in 2020, we've funded 47 homes, and plan to fund another 46 in 2022.

Participation in the program involves having an independent third-party examine Cenovus's Indigenous relations practices and identify where we are doing well, as well as any areas for improvement. Our work toward PAR gold level certification is intended to help shape how we engage with Indigenous communities in the future.

Housing is one of the most urgent issues facing Indigenous communities in Canada. In 2020 we launched the Indigenous Housing Initiative to help address that challenge in the communities closest to our oil sands operations in northern Alberta. The initiative is a five-year, $50-million project to build new homes in Beaver Lake Cree Nation, Chard Métis, Chipewyan Prairie Dene First Nation, Cold Lake First Nations, Conklin Métis and Heart Lake First Nation. Since 2020, we've funded 47 homes, and plan to fund another 46 in 2022. The initiative has the potential to be extended for another five years with a total investment of $100 million.

In 2021, we also completed the first year of a construction and trades readiness program that supports the housing initiative. We worked with Portage College to develop a 24-week home construction training program for students from the six partner communities. To complete the program, students built legacy projects in their communities, including two tiny homes, two greenhouses and a gazebo. In addition to supporting the housing initiative, the training program fosters economic reconciliation. Students who take part in the program learn construction skills and may choose to continue to use the skills within their communities or may go on to pursue further training.

Indigenous Hiring Program

We are committed to reducing barriers to employment and creating opportunities for members of our Indigenous partner communities. Our Indigenous Hiring Program offers numerous levels of support, including mentorship, special events, dedicated training and development, and networking. Some areas of this program also include rotational assignments, an assigned technical coach and support for coursework.

The Indigenous Hiring Program has three focus areas that further demonstrate our commitment to Indigenous reconciliation:

1. Students and new graduates. We want to increase Indigenous participation in our summer, co-op and new graduate programs.

2. Experienced hires. We are committed to increasing Indigenous employment opportunities for experienced roles within Cenovus and are working to remove barriers to employment, expanding our talent sourcing to be inclusive and representative of communities in which we operate.

3. Internship field program. We partner with local Indigenous communities near our operations to source and hire local talent. We re-launched this program in 2021 and have interns working at our Christina Lake and Foster Creek locations. This program offers trades experience and includes mentorship, dedicated training and development, networking opportunities and special events. It also includes an assigned technical coach and support network for apprenticeship coursework. The intent of the program is to build the capacity of Indigenous individuals and communities, with the goal of removing barriers to employment, providing full-time employment opportunities and advancing toward economic reconciliation.

INDSPIRE

Since 2018, as part of Indspire's Building Brighter Futures: Bursaries, Scholarships and Awards Program, we have awarded 160 Cenovus scholarships, valued at $3,500 each, to Indigenous students.

"Receiving this Cenovus scholarship has helped ease the financial burden that university brings and it has given me great encouragement in my continuing educational journey. I am also honoured to be recognized for my heritage that I am very proud of."

- Dorin Clough,
Mechanical Engineering co-op student
University of Alberta

GOVERNANCE

- The Indigenous Inclusion Advisory Committee, comprised of senior leaders from the company, provides guidance on Indigenous inclusion initiatives across the business. It has a mandate of capacity building, economic inclusion and employment and Indigenous inclusion initiatives, such as Indigenous awareness training for staff.
- Progress towards our Indigenous reconciliation targets is guided by the executive leadership team and overseen at the Board committee level.
- Our Indigenous Relations Policy was developed in 2021 and rolled out across the company. It ensures staff and suppliers understand the importance of reconciliation. The policy supports awareness and understanding of Indigenous history and culture, and our alignment with UNDRIP.

For a complete overview of our sustainability governance, refer to ESG Governance.

COLD LAKE AGREEMENT

As part of our commitment to advancing our ESG targets related to both Indigenous reconciliation and climate & GHG emissions, in 2021 Cenovus committed to a PPA to buy solar-powered produced electricity and the associated emissions offsets from a partnership between Cold Lake First Nations and Elemental Energy Inc.

RISK MANAGEMENT

As many of our operations are located on or near Indigenous lands, our relationship with Indigenous communities is critical to our success. If we are unable to maintain a positive relationship with our neighbouring communities, it could adversely impact our progress and ability to explore, develop and continue to operate. Other potential impacts include our reputation, relationship with governments, local communities and other Indigenous communities, and increased expenses and use of resources.

In building and maintaining positive and mutually beneficial relationships with local Indigenous communities we strive to mitigate our risks and seize opportunities to access local knowledge and talent, and collaborate to build consensus. Other ways we manage our risks include:

- Formalizing our relationships through long-term community agreements.
- Making progress on our Indigenous reconciliation targets.
- Continuing to execute on our Indigenous Housing Initiative commitments.
- Increasing the number of Indigenous employees across our workforce through our Indigenous Hiring Program.
- Further strengthening Indigenous communities through ongoing community investment partnerships, social programming and post-secondary scholarships.

For a comprehensive overview of Indigenous reconciliation-related risks, refer to the risk factors included in our 2021 MD&A.

THUNDERCHILD WELLNESS CENTRE

Cenovus is a major sponsor of the Thunderchild First Nation Wellness Centre in west-central Saskatchewan. Through our partnership with Thunderchild First Nation, we provided funding for the construction of the facility, and additional support to assist with ongoing operations and maintenance over the next several years. The groundbreaking ceremony took place in the spring of 2021. Facilities planned for the centre include: gymnasium, hockey rink, field house, running track, event hall and Chief and Council offices.

9 INCLUSION & DIVERSITY

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INCLUSION & DIVERSITY PROGRESS

TARGET

Increase women in leadership roles[1] to 30% by year-end 2030.

PROGRESS

Base year 2019
24%

2021
26%

2021 KEY MILESTONES

- Increased women in leadership roles from 24% (2019) and 25% (2020) to **26%** in 2021.

WHAT'S NEXT [3]

Build and execute inclusive leadership awareness training for all senior leaders starting with executive leadership team and direct reports by year-end 2022 with intention of integrating inclusive leadership training for leaders across the organization.

Develop strategies to attract and retain female candidates and diversify the talent pipeline.

TARGET

Conduct a self-identification survey by year-end 2022; add diversity target beyond gender in 2023.

PROGRESS

On track

2021 KEY MILESTONES

- Conducted best practice review; confirmed business requirements and scope.

WHAT'S NEXT [3]

Complete survey in Q4 2022 and assess results.

In 2023, the results will be shared across the company and an additional inclusion & diversity target will be released by end of 2023.

TARGET

Aspire to have at least 40% representation from designated groups[2] among non-management directors, including at least 30% women, by year-end 2025.

PROGRESS

2021
36%

2021 KEY MILESTONES

- Revised the **Board Diversity Policy**, resulting in further alignment with the company's commitment to the principles of diversity.
- **4 of 11 (36%)** of non-management directors self-identify as a woman, an Indigenous person, a person with disabilities and/or a member of one or more visible minority groups.
- **3 of 11 (27%)** of non-management members of the Board self-identify as a woman.

WHAT'S NEXT [3]

The Board has made a commitment to have at least 30% women on the Board by the end of its 2023 annual general meeting of shareholders.

We strive to build a sense of belonging in the workplace. Creating an inclusive, fair and respectful workplace where everyone feels their perspectives, background and experiences are heard and valued is the right thing to do for our people and for our business.

An inclusive and diverse workforce help us drive innovation, improve staff engagement, enhance our reputation and attract and keep top talent. We continue to foster a culture that ensures staff feel like they can be themselves and that they belong.

METRICS & TARGETS

Our targets are to increase women in leadership roles to 30% by year-end 2030, conduct a self-identification survey by year-end 2022 and add a diversity target beyond gender in 2023. We define "leadership roles" to include Team Lead/ Coordinator/Supervisor positions and above. We also aspire to have at least 40% representation on the Board from designated groups among non-management directors, including at least 30% women, by year-end 2025.

STRATEGY

Attracting and retaining a diverse workforce of smart, dedicated people while ensuring our culture supports workplace results is key to the success of our corporate strategy. We strive to foster a culture of inclusion that embraces diversity of thought, experience and background, where people feel respected, valued and listened to. Investing in our people and our workplace culture while striving for continuous improvement is integral to our workforce risk mitigation.

Our Inclusion & Diversity (I&D) strategy has three initial focus areas:

Leadership – Advance our leaders' commitment to I&D and enhance their capability and accountability through education, awareness and engagement.

Talent management – Mitigate bias and remove barriers to retain and advance diverse talent to ensure the organization has the right capacity to meet future business needs.

Talent acquisition – Offer equitable career opportunities to attract diverse talent and further position the company as an employer of choice.

The oil and gas industry faces specific I&D challenges, including the fact that men are disproportionately represented in this sector. Over the next year, we plan to work with senior leaders in the business to support our I&D commitments and introduce tools to drive our strategy, including:

- Inclusive leadership training. Starting with senior leaders, we will look to build awareness of our own unconscious biases. We expect this will also help us understand what we can do to create and maintain a culture where we actively seek out, and consider, different experiences and perspectives to help inform decision making and achieve strong team results. Leaders will be coached and supported to further develop the mindset and skills required to model Cenovus's values, foster psychological safety and make fair, equitable decisions regarding the processes they control, including hiring, performance management, promotions, work assignments, career development and pay.
- Diversity self-identification survey. Staff will be able to complete this confidential survey, scheduled for the fourth quarter of 2022, on a voluntary basis. The results are expected to provide insight on how well we reflect the communities where we live and work and help identify where we may need to do more to attract and retain a diverse workforce. The information will also help us identify additional targets in 2023 and beyond.
- Focus on psychological safety and belonging. We'll continue to build a respectful workplace where each of us feels safe to speak up, and where our thoughts and opinions are valued, reinforcing that we all matter to the Cenovus team. This is an important part of our 2022 company priorities.

Our I&D focus area supports Sustainable Development Goal 5 – targets 5.1 and 5.5.

2021 PERFORMANCE

In 2021, we made progress in key areas of our inclusion & diversity target, but we recognize we have more work to do.

During the year we saw an increase to 26% female representation in leadership, up from 24% in 2019. This incremental progress toward our goal of 30% by year-end 2030 followed staffing decisions made during the integration of the two legacy companies and as part of our regular course of business throughout the year. We also conducted research and planning for our self-identification survey and, in early 2022, began drafting questions.

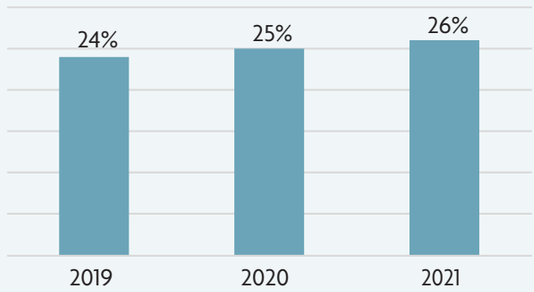
In 2021, our Board revised its Board Diversity Policy, resulting in further alignment with the company's commitment to the principles of diversity. In 2021, four of 11 (36%) of our non-management directors self-identified as a woman, an Indigenous person, a person with disabilities and/or a member of one or more visible minority groups and three of 11 (27%) of non-management members of the Board self-identified as a woman. Diversity is an important and valuable consideration in assessing potential candidates for the Board, and all nominations and appointments are made on merit in the context of the skills, expertise and experience that Cenovus requires. The Board has also committed to achieving at least 30% women on the Board by the close of our annual general meeting of shareholders to be held in 2023.

We've also made progress on initiatives that support our efforts for a more inclusive and diverse workplace. In 2021, we launched our new purpose and values, which emphasize inclusion, belonging and psychological safety, and launched our Expect Respect campaign focused on a respectful workplace. We also expanded our employee resource inclusion networks to five, from two at legacy Cenovus, with a focus on women, multiculturalism, Indigenous, LGBTQ+ pride and persons with disabilities. These networks are voluntary, employee-led and executive-sponsored groups that increase awareness and influence practices and programs to enhance the experience of all staff.

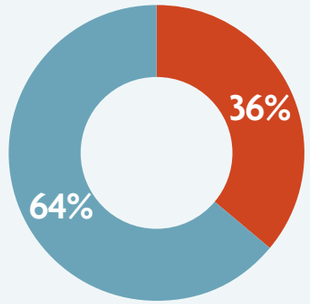
CREATING AN INCLUSIVE SPACE

We have taken measures at various locations to provide inclusive amenities for staff. At our Calgary headquarters in Brookfield Place we have created amenity floors that include family rooms (for nursing or pumping), a multifaith prayer room, an ablution station, a meditation room, all-gender washrooms, community sharing space for our network groups, flex project spaces and a resource library. Our office in St. John's, Newfoundland and Labrador was designed with accessibility in mind, including various seating arrangements and heights in the kitchens and recessed sinks accessible to those using wheelchairs. The office space and the building it's housed in earned an Accessibility Certified Gold rating under the Rick Hansen Foundation Accessibility Certification program. We continue to assess all of our workplaces regularly to ensure that they promote inclusiveness.

Women in leadership



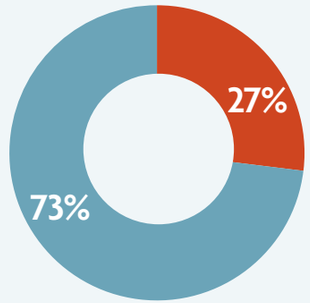
Board diversity (non-management directors)



Non-designated

Designated groups (Self identified – non-management directors)

Board gender diversity (non-management directors)



Male

Female

GOVERNANCE

- Progress towards our I&D targets is guided by the executive leadership team and overseen at the Board committee level.
- Policies and standards outline our expectations of all staff, leaders and suppliers to create and maintain a safe, respectful and inclusive work environment.
- The executive leadership team holds leaders accountable for a positive work environment.
- Surveys and direct engagement gauge and help improve employee experience.
- In 2021, our Board revised its Board Diversity Policy, resulting in further alignment with the company's commitment to the principles of diversity.

For a complete overview of our sustainability governance, refer to ESG Governance.

RISK MANAGEMENT

Inclusion and valuing the diversity of our staff play a critical role in strengthening our business performance and culture. Research indicates companies that have evolved strategies for inclusion and diversity benefit from broader perspectives that drive innovation, improve staff engagement, strengthen reputation, and increase talent acquisition and retention. To foster success and minimize potential workforce risks of being unable to attract or retain qualified leaders with the professional and technical competencies to deliver on our strategy and business plan, we are committed to creating an environment that encourages development and training opportunities, promotes safety and wellbeing, and provides competitive compensation and flexible benefits plans.

Risk mitigation tactics include:

- Creating a workplace that celebrates individual uniqueness, while fostering a culture of belonging to help Cenovus be the energy company of choice for staff, and drive long-term business value.
- Embracing diversity of thought, experience and background to make better business decisions.
- Establishing guiding principles that apply across the business to guide decisions and behaviours for the greater good of Cenovus.
- Offering equitable career opportunities to attract diverse talent and further position the company as an employer of choice.
- Mitigating bias and removing barriers to retain and advance diverse talent to ensure the organization has the right capacity to meet future business needs.
- Advancing our leaders' commitment to I&D and enhancing their capability and accountability through education, awareness and engagement.

For a comprehensive overview of I&D-related risks, refer to the risk factors included in our 2021 MD&A.

FLEXIBLE WORKING AND LEAVES

Modernizing our technology in recent years has enabled our staff to remain connected while working remotely. This became especially important for staff working from home during the COVID-19 pandemic. We continue to provide flexible working arrangements for staff across the company to help balance the benefits of working from home and in the office. This includes piloting a hybrid work model, which allows staff who are able to work from home to do so for part of each week, if they wish. Additionally, Cenovus provides several leaves of absence options for staff who require time away from the workplace.

10 GOVERNANCE

ESG GOVERNANCE

We recognize the importance of robust governance for safe performance and reliable operations, as well as for driving long-term shareholder value. Our governance structure includes Board and executive oversight, along with policies, standards, processes and procedures to guide the expected behaviours of our staff, how we run our facilities and how we manage risk.

Board oversight

By integrating ESG considerations into our business planning, our aim is to manage associated risks and seize opportunities over the short, medium and long term. ESG risks are considered within our Enterprise Risk Management (ERM) program, which helps us identify, assess and manage key risks to our business.

The Board of Directors approves our corporate strategic plan, which takes into account the opportunities and risks to our business, including those related to ESG and sustainability. In addition, the Board has oversight of our approach to sustainability and our processes and procedures to mitigate environmental impacts, address health and safety matters that may arise due to the company's activities, consider human capital management and operate in a manner consistent with good governance and recognized standards. ESG matters are reviewed at every regularly scheduled Board meeting and recommendations from management with respect to ESG matters, and processes and procedures to mitigate or address environmental impacts, are overseen by the Board. Discussions about important ESG topics, including climate change, are also incorporated into Board strategy sessions twice a year. To help keep Board members updated on important and evolving ESG topics, internal and external experts present to the Board during the year.

In addition to the Board's role in ESG governance, its four committees act in an advisory capacity to the Board and oversee specific ESG risks relating to their respective mandates, which are addressed as required at every committee meeting and reported to the Board.

The Board considers the skills, expertise, experience and independence of director nominees, and satisfies itself that as a whole the Board has the requisite skills and competencies to provide appropriate oversight of the company's risks and direction for its opportunities, including those relating to ESG matters, and to support the company's needs as its business and business environment evolves.

Safety, Sustainability and Reserves (SSR) Committee

The SSR Committee stewards the company's ESG commitments pursuant to our Sustainability Policy. The committee is specifically tasked with overseeing and monitoring the company's programs, policies and performance as they relate to sustainability, safety and the environment, and reviewing the company's disclosure relating to matters addressed in our Sustainability Policy, including ESG disclosure. The SSR Committee is also responsible for reviewing and reporting to the Board on the company's progress related to performance and achievement of our ESG targets. Updates on ESG target performance are presented on a quarterly basis.

Audit Committee

The Audit Committee oversees significant financial risks and areas of exposure. In particular, it oversees the financial impacts from evolving ESG matters, including climate change, and impacts to Cenovus's access to capital and insurance coverage, and its credit ratings. Specific ESG-related oversight is addressed as necessary, including asset retirement obligation financial disclosure matters and those related to treasury, risk or insurance.

Human Resources and Compensation (HRC) Committee

The HRC Committee oversees compensation and human resource matters, including Cenovus's organization and talent management strategies, people strategy and approach to culture, health and wellness, engagement, and inclusion and diversity. The committee is specifically tasked with overseeing progress related to performance and achievement of our inclusion and diversity targets. It is also responsible for making recommendations to the Board regarding ESG performance metrics in our short- and long-term compensation plans. Inclusion and diversity is a standing agenda item at all regularly scheduled HRC Committee meetings. Compensation and/or pension governance is addressed at every regularly scheduled meeting of the committee, while updates on the corporate scorecard performance are presented on a quarterly basis.

Governance Committee

The Governance Committee has oversight of, and reports to the Board about, among other things, risk related to corporate governance including issues or principles related to risk governance, the effectiveness of management's strategic risk management programs and the proposal of directors for nomination. It is responsible for overseeing Cenovus's corporate governance generally, and our governance in relation to ESG matters in particular. Specifically, it is tasked with oversight of Board diversity and allocating oversight of emerging or developing issues related to ESG matters to the appropriate Board committee.

Additional governance controls exist at the management level, including committees, policies and compensation linked to ESG performance.

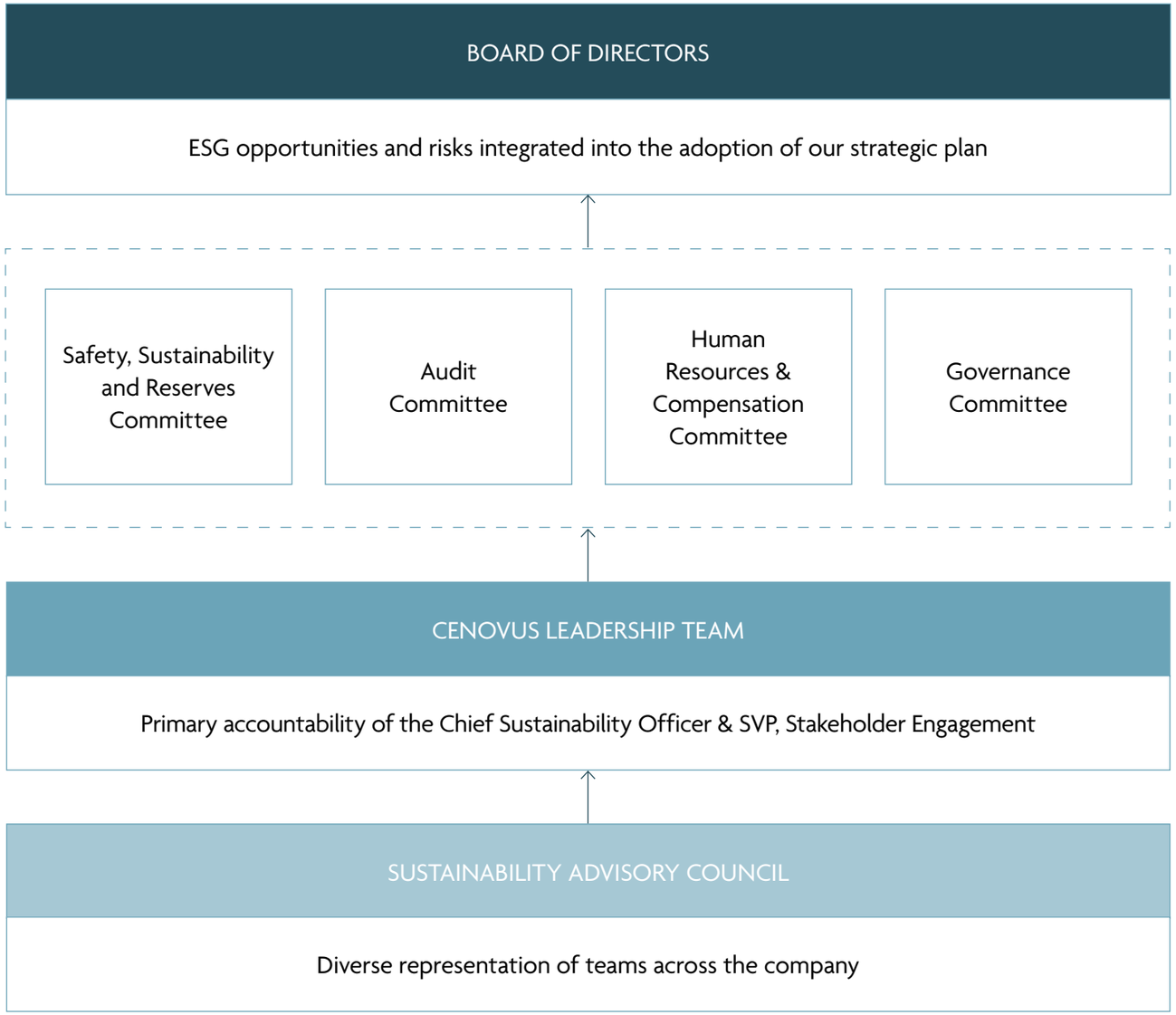
Management's role in ESG governance

The executive leadership team is accountable for executing the Board-approved corporate strategic plan, which takes into account the opportunities and risks to our business, including those related to climate and other sustainability matters. Each member of the executive leadership team has dedicated accountabilities that support our ESG targets and responsibility for the integration of sustainability across the business.

The Chief Sustainability Officer (CSO) reports directly to the Chief Executive Officer and is the primary link to the SSR Committee regarding ESG and sustainability matters. The CSO has primary accountability at the management level for ensuring ESG considerations are embedded in our strategy and business plans. In addition, the Chief Financial Officer provides reports to the Audit Committee and is accountable for addressing significant financial risks and areas of exposure, including those relating to climate change. The Senior Vice-President, People Services' portfolio supports the HRC Committee in human capital management, including inclusion and diversity initiatives and progress. The Senior Vice-President, Legal, General Counsel & Corporate Secretary's portfolio supports the Governance Committee, including in the governance of ESG matters, and supports ensuring Cenovus's business and operations are legally compliant.

There is a diverse representation of teams across the company that monitor and provide guidance and recommendations to management pertaining to climate and other ESG-related issues.

ESG governance leadership at Cenovus



Sustainability Advisory Council

The Sustainability Advisory Council consists of senior, multi-disciplinary experts from across the company who act as sustainability ambassadors and provide support in assessing and managing sustainability-related issues across the company. The council provides recommendations to relevant working groups and the executive leadership team to better inform ESG decisions and initiatives. In 2021 the council's membership and mandate were refreshed to reflect our combined business operations and updated ESG targets. The Chief Sustainability Officer & SVP, Stakeholder Engagement and the Director of Sustainability co-chair the council.

Incorporating ESG into our investment decisions

Cenovus takes a portfolio approach to making risk-based capital allocation decisions, guided by our capital allocation framework. The Investment Committee, chaired by the Chief Financial Officer and comprised of executive leadership team members, oversees the framework. The Investment Committee evaluates 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 with achieving our strategy.

In late 2021 and early 2022, we integrated our five 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 full range of considerations to continue to create value and deliver on our commitments to shareholders. To further enhance this process, we developed an ESG manual to provide guidance on how a given business opportunity impacts the targets for each of our ESG focus areas.

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ESG link to compensation

Cenovus's compensation philosophy is to pay for performance and to align the interests of employees with the interests of our shareholders, while balancing objectives of market competitiveness and retention. The company's safety and environmental performance is directly tied to discretionary employee and executive compensation, which includes individual and corporate performance components. With respect to individual performance, all employees, including the executive leadership team, have annual performance agreements identifying their specific goals and objectives for the upcoming year. These align with our business plan and strategy and provide performance focus throughout the year. For members of our executive leadership team, performance agreements are also tied specifically to ESG factors and objectives. Achievement of these goals and objectives influences the individual performance component of discretionary compensation.

The corporate component of discretionary employee and executive compensation is assessed based on the annual corporate scorecard, which contains safety (including process safety events and total recordable injury frequency), environmental (absolute GHG emissions), operational and financial performance measures. These scorecard metrics have the greatest impact on executive and senior leadership compensation as a higher percentage of their discretionary compensation is tied to corporate performance compared to other employees.

In 2021 we revised our 2022 scorecard, replacing the Upstream GHG emissions intensity metric with a total, gross-operated absolute GHG emissions metric. This supports our target to reduce our absolute scope 1 and 2 GHG emissions on a net equity basis by 35% from 2019 levels by year-end 2035, and our long-term ambition to reach net zero emissions by 2050. Our compensation balances financial, operational, sustainability and share price performance. Our Shareholder Advisory Vote on the Executive Compensation Policy provides shareholders with a formal opportunity to give their views on the disclosed objectives of the executive compensation program via a non-binding advisory vote at the Annual Meeting of Shareholders [1].

Risk management

In the pursuit of strategic objectives, Cenovus is exposed to risks, some of which impact the energy industry as a whole and others unique to our operations. Programs such as Enterprise Risk Management and COIMS help ensure we are properly addressing risk in our business and embedding sustainability considerations in our strategy.

The ERM Policy outlines expectations for the program as well as the roles and responsibilities of all staff. Our ERM program drives the identification, measurement, prioritization and management of risk across the company, and is aligned with key attributes recommended by leading international risk management frameworks, including ISO 31000:2018 – *Risk Management Guidelines and COSO Enterprise Risk Management – Integrating with Strategy and Performance*. The results of our ERM program are presented to senior leaders and our Board through regular updates and semi-annual risk reports, and reflected in our annual MD&A.

Building on the ERM Policy, we have an established risk management framework supported by several standards and tools, including the Cenovus risk matrix. In 2021, operations leadership and subject matter experts from across the company reviewed and updated the Cenovus risk matrix to ensure continued applicability with our broader asset base. Applying a single, standardized risk assessment tool enables us to identify, evaluate and communicate hazards and risks consistently across the organization, and supports effective risk-based decision making. Risk assessment considers, among other things, potential health and safety, environmental, regulatory, operational, financial and reputational impacts to our business, along with likelihood of occurrence, in the context of our risk tolerance.

Our policy management and compliance approach

Our Board has oversight of compliance with Cenovus's corporate policies and standards stemming from our Code of Business Conduct & Ethics. Cenovus's Policy Management Standard supports this oversight by ensuring Cenovus's corporate policy documents are assigned ownership, are consistent in their format, are readily accessible and provide clarity for staff, and are reviewed and/or updated annually.

Code of Business Conduct & Ethics

Our Code was updated in July 2021 through consultation with subject matter experts across the company in all our jurisdictions. It reflects the company's commitment to conducting business safely, legally, ethically and sustainably, and references our values, policies, standards and guidelines. The updated Code was reviewed and approved by the Business Conduct & Integrity Committee, the executive leadership team, and the Board of Directors. All directors and staff must commit to upholding the Code and its principles on an annual basis.

Important topics in the Code relate to our values and reputation, emphasizing:

- Compliance with the law.
- Violence and harassment-free workplace.
- Inclusion and diversity.
- Reporting inappropriate conduct, and protection from retaliation.
- Safety.
- Sustainability, including human rights and community engagement.

The Code also focuses on protecting Cenovus's information as an important asset, respecting the privacy of personal information and outlining expectations for acceptable use of the company's information. Cenovus focuses on maintaining high standards with respect to the handling of personal information.

Cenovus has established a Privacy Office managed by the Privacy Officer and supported by a team of subject matter experts to uphold the Company's privacy values and objectives. The Privacy Office has also established privacy policies and standards that align with applicable privacy legislation.

Acting with integrity is an important aspect of our values and the Code provides guidance as to Cenovus's expectations, including references to key policy documents covering:

- Conflicts of interest, gifts and entertainment, bribery, corruption and sanctions.
- Fraud and other irregularities.
- Fair dealing and competition, and third-party engagement.
- Securities trading and public disclosure.
- Financial reporting and internal controls.
- Political and lobbying activities.

Policies and standards are a foundational component of Cenovus's compliance and ethics program. The program is continually assessed against internal and external risks and regulations, and is aligned to the ESG priorities of Cenovus business functions such as Sustainability, Legal, Human Resources, Internal Audit and Supply Chain Management.

Related Corporate Policies

Complying with the law

We are aware of our compliance obligations under applicable legal and regulatory frameworks in the jurisdictions in which we operate. Specific and important laws or topics addressed in the Code through applicable policies or standards include:

Human rights

We recognize the fundamental importance of human rights. To reinforce this, in 2021 we formalized our existing human rights commitments in a Human Rights Policy that reflects our values and behaviours and further supports the sustainable operation of our business in the jurisdictions and communities in which we operate.

We are guided by the UN Universal Declaration of Human Rights and are informed by other international standards including the UN Guiding Principles on Business and Human Rights and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work.

Cenovus respects an employee's right to freedom of association and to negotiate through relevant representative bodies, where applicable.

Indigenous relations

To further support our commitment to Indigenous reconciliation, an Indigenous Relations Policy was developed in 2021 and rolled out across the company. The policy ensures staff and suppliers understand the importance of reconciliation. It confirms our responsibility and provides guidance on how to uphold the principles of Indigenous rights, consultation, economic opportunities and community prosperity. The policy supports awareness and understanding of Indigenous history and culture and supports our alignment with UNDRIP.

Anti-bribery, anti-corruption & anti-money laundering, and trade compliance

We are committed to complying with anti-bribery, anti-corruption & anti-money laundering laws and regulations, including those issued by Canada, the United States and other nations as applicable. The Anti-Bribery, Anti-Corruption & Anti-Money Laundering Standard and the Trade Compliance Standard describe the process requirements and responsibilities in place to meet our commitment to compliance and address risks associated with anti-bribery, anti-corruption, anti-money laundering, economic sanctions and embargoes, and anti-boycott laws. A compliance program element called the Know Your Counterparty process involves vetting customers and suppliers through a comprehensive third-party review which includes using a global trade management and compliance database. We provide select staff with training on both standards and ensure they have developed and implemented supporting processes and procedures.

Payment transparency

Reporting payments to governments is an important way to increase transparency and trust with our stakeholders. Disclosure is made through the annual Extractive Sector Transparency Measures Act (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 and our subsidiaries and partnerships involved in the commercial development of crude oil and natural gas.

Integrity Helpline and investigations

We have several mechanisms in place to receive business or workplace concerns, including through the Cenovus Integrity Helpline. Stakeholders, including local community residents and other members of the public, as well as our employees, contractors and suppliers, are encouraged to report any business or workplace conduct concerns. The Integrity Helpline is independently operated by a third-party service provider and allows concerns to be reported confidentially and anonymously. Contact information for the Integrity Helpline is available on cenovus.com and our intranet.

The Cenovus Investigations Committee, comprised of a broad group of senior leaders, oversees investigations of alleged violations of Cenovus's policies, standards, processes and procedures in accordance with Cenovus's Investigations Standard.

SUSTAINABILITY

Cenovus first implemented our Sustainability Policy in 2010 and it continues to evolve through our annual review process. In 2021 we completed a comprehensive update to reflect our new ESG focus areas and expanded business operations. Our Sustainability Policy, together with our Code, guides our actions and outlines our commitment to embedding environmental, economic and social considerations in our business decisions. This commitment requires addressing our GHG emissions, innovating to minimize our impact on wildlife, water and the environment, providing a safe and inclusive workplace and consulting and partnering with local and Indigenous communities.

Retaliation against individuals who report concerns or participate in investigations relating to alleged violations is not tolerated.

The Investigations Committee prepares and provides reports on investigations to the Business Conduct & Integrity Management Committee, the executive leadership team and the Board. Where identified, broader issues and trends may be addressed through additional training programs, increased awareness and/or new policies or standards.

The Investigations Committee in partnership with the Integrity Helpline and Human Resources, launched the Expect Respect program, created to increase awareness regarding the expectations of a respectful workplace for all workers at a Cenovus site or office. The awareness sessions have been presented to more than 3,000 staff and supported with a poster campaign and intranet messaging.

Training and compliance

Quarterly ethics and compliance training is provided to all staff. In 2021, mandatory training was offered on the following topics:

- Data Management & Privacy
- Respectful Workplace
- Code of Business Conduct & Ethics
- Sustainability, Human Rights & Indigenous Relations

Additional training is provided to specific areas of the business based on risk and role requirements.

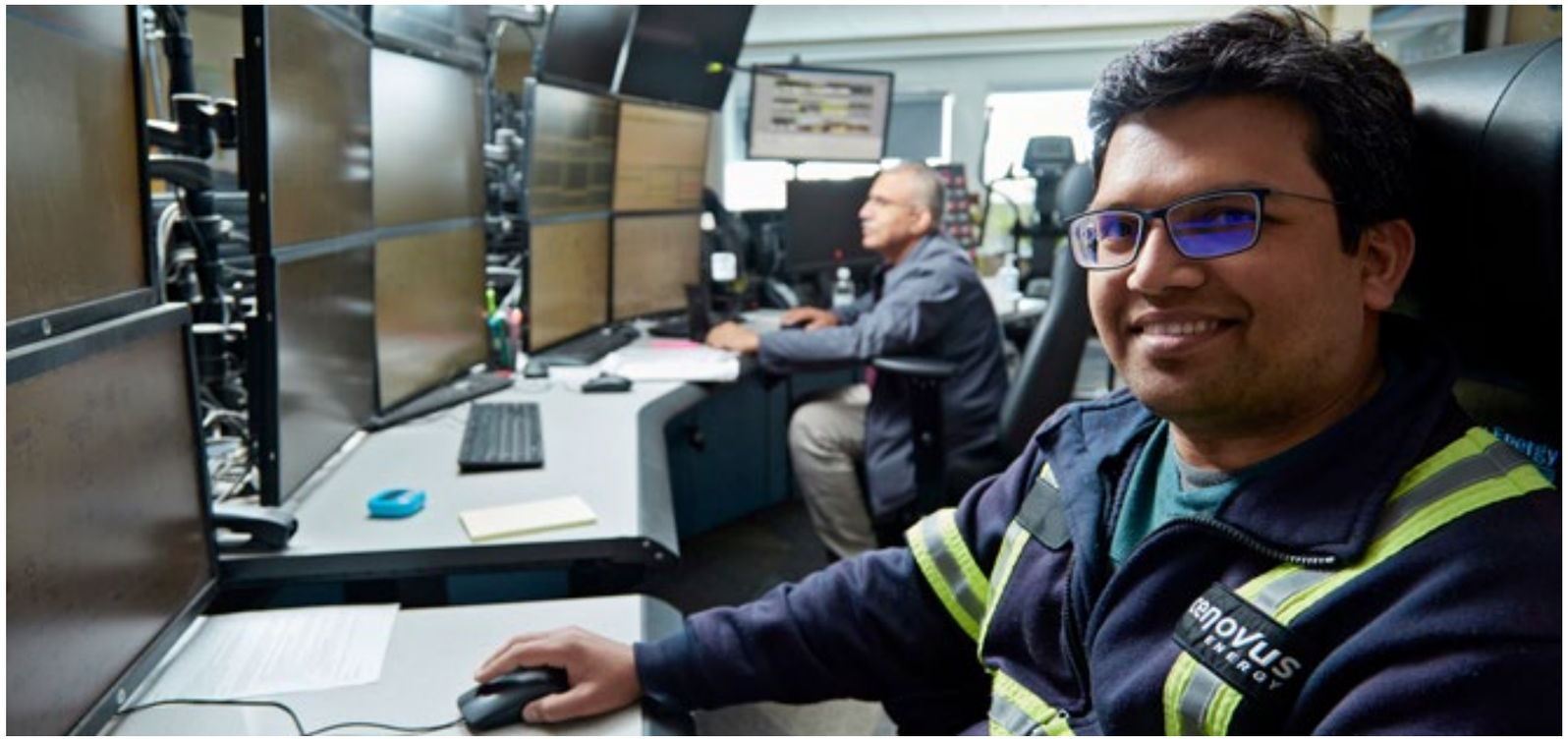
Cyber security

We have established enhanced cyber security measures, recognizing information technology is evolving rapidly and data must be protected. From spam emails to phishing schemes to attempts at malware attacks, cyber defence is critical to safe operations.

Advocacy and memberships

We recognize it is 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 applicable lobbying and election laws and reporting requirements in the jurisdictions where we operate. We aim for our interactions with external groups, such as industry associations or organizations we sponsor, to 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, Canadian Chamber of Commerce and American Fuel & Petrochemical Manufacturers, and provide guidance to encourage alignment of the associations' ESG stances with that of Cenovus. Learn more about our advocacy and memberships.



Supply chain management

Cenovus strives to work with suppliers who operate legally, ethically and responsibly, using risk-based pre-qualification criteria to verify they are aligned with our safety and operational integrity requirements, and to protect the company from potential legal and reputational risks. Our pre-qualification assessment includes ethics, health, safety, environmental, quality and technical compliance, and financial considerations, among other supply chain management metrics. In 2021, we expanded pre-qualification to include sustainability requirements, which are applied based on company size and global presence. Only suppliers that meet or exceed our criteria can be considered for work.

We require all suppliers and their personnel working at a Cenovus location to complete our life saving rules awareness training, corporate safety orientation and any site-specific orientation prior to commencing work. These orientations, periodic audits of supplier health and safety programs, and spot validation checks of required certifications help ensure basic safety knowledge. In addition, over the life of the contractual relationship, where applicable we conduct ongoing monitoring and assessment of contractor performance against previously agreed key performance indicators, including safety, environmental, health, quality, cost, schedule and technical considerations.

Systems are also in place to ensure suppliers have adequate insurance based on the risk exposure level determined by the company.

Supplier Code of Business Conduct

Cenovus's first Supplier Code of Business Conduct was published in 2021. It ensures our suppliers know and understand Cenovus values, and our efforts to ensure our suppliers align to our commitment to ethical operations, human rights and sustainability considerations, among others. The Supplier Code of Business Conduct is being implemented by our supply chain group and includes a structured roll out to ensure expectations are managed and understood.

Local suppliers

Whenever possible, we hire locally and actively engage businesses from the areas around our operations. As part of our supply chain management process, we evaluate potential suppliers for safety standards and Indigenous inclusion to ensure strategic businesses are prioritized when it is feasible to do so. To further support the use of Indigenous businesses, our request for proposal process, sourcing templates and other procedures have been adjusted to consistently reflect Cenovus's focus on Indigenous economic reconciliation and to ensure any potential Indigenous inclusion opportunities are considered across all operating areas.

11 APPENDIX

SASB INDEX

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
GHG Emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Quantitative	Metric tons CO_2e (t), percentage (%)	EM-EP-110a.1 EM-MD-110a.1	2021 ESG report, Data table p. 19-21
	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Quantitative	Metric tons CO_2e (t)	EM-EP-110a.2	2021 ESG report, Data table p. 19
	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 and analysis	n/a	EM-EP-110a.3 EM-MD-110a.2 EM-RM-110a.2 RT-CH-110a.2	2021 ESG report, Climate & GHG emission p. 36-44 Limiting factors can be found in the Risk management and risk factors section of Cenovus's 2021 MD&A p. 62
Air Quality	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10})	Quantitative	Metric tons (t)	EM-EP-120a.1 EM-MD-120a.1 EM-RM-120a.1 RT-CH-120a.1	2021 ESG report, Data table p. 22
	Number of refineries in or near areas of dense population	Quantitative	Number	EM-RM-120a.2	2021 ESG report, Data table, footnote AM-5 p. 27
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy Discuss its efforts to reduce energy consumption and/or improve energy efficiency througout the production processes	Quantitative Discussion and analysis	Gigajoules (GJ), percentage (%)	RT-CH-130a.1	2021 ESG report, Data table p. 22 Partial disclosure. Evaluating disclosure of percentage grid electricity, percentage renewable and total self-generated electricity for future reports. 2021 ESG report, Climate & GHG emissions p. 36-44

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Water & Wastewater Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress (3) percentage recycled (Only applicable to R&M)	Quantitative	Thousand cubic metres (m^3), percentage (%)	EM-EP-140a.1 EM-RM-140a.1 RT-CH-140a.1	2021 ESG report, Data table p. 23-24
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Quantitative	Thousand cubic metres (m^3), percentage (%), metric tons (t)	EM-EP-140a.2	2021 ESG report, Data table p. 23
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Quantitative	Number	EM-RM-140a.2 RT-CH-140a.2	Evaluating disclosure for future reports.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	n/a	RT-CH-140a.3	2021 ESG report, Water stewardship p. 57-61
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Quantitative	Percentage (%)	EM-EP-140a.3	2021 ESG report, Data table p. 24
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline The entity shall disclose its policies and practices related to ground and surface water quality management.	Quantitative Discussion and analysis	Percentage (%)	EM-EP-140a.4	2021 ESG report, Data table p. 24 2021 ESG report, Water stewardship p. 57-61
Waste & Hazardous Materials Management	Amount of hazardous waste generated, percentage recycled (Disclose the legal or regulatory framework(s) used to define hazardous waste and recycled hazardous waste, and the amounts of waste defined in accordance with each applicable framework.)	Quantitative	Metric tons (t), percentage (%)	EM-RM-150a.1 RT-CH-150a.1	Evaluating disclosure for future reports.
	(1) Number of underground storage tanks (USTs), (2) number of UST releases requiring cleanup, and (3) percentage in states with UST financial assurance funds	Quantitative	Number, percentage (%)	EM-RM-150a.2	Evaluating disclosure for future reports.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Biodiversity Impacts	Description of environmental management policies and practices for active sites/operations	Discussion and analysis	n/a	EM-EP-160a.1 EM-MD-160a.1	2021 ESG report, Biodiversity p. 64-66
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Quantitative	Number, barrels (bbls)	EM-EP-160a.2	2021 ESG report, Data table p. 25. Partial disclosure. Cenovus does not operate in the Arctic.
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Quantitative	Number, barrels (bbls)	EM-MD-160a.4	2021 ESG report, Data table p.25. Partial disclosure. Cenovus does not operate in the Arctic.
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	Percentage (%)	EM-EP-160a.3	Evaluating disclosure for future reports.
	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	Quantitative	Percentage (%) by acreage	EM-MD-160a.2	Evaluating disclosure for future reports.
	Terrestrial acreage disturbed, percentage of impacted area restored	Quantitative	Acres (ac), percentage (%)	EM-MD-160a.3	2021 ESG report, Data table p. 24 Scope of disclosure is related to the Cold Lake Caribou Range Habitat Restoration Program.
Security, Human Rights & Rights of Indigenous People	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	EM-EP-210a.1	Omitted due to lack of applicability.
	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	Quantitative	Percentage (%)	EM-EP-210a.2	Evaluating disclosure for future reports.
	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	Discussion and analysis	n/a	EM-EP-210a.3	2021 ESG report, Human Rights p. 85, Supplier Code of Business Conduct p. 87, and Indigenous reconciliation p. 70-73. 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 and analysis	n/a	EM-EP-210b.1 RT-CH-210a.1	2021 ESG report, Local suppliers p. 87, Indigenous reconciliation p. 70-73, and Social investment. 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	Quantitative	Number, days	EM-EP-210b.2	2021 ESG report, Data table p. 25

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Quantitative	Rate, hours (h)	EM-EP-320a.1 RT-CH-320a.1	2021 ESG report, Data table p. 17. Fatality metric is disclosed as number not rate. Evaluating disclosure of rates for short-service employees for future disclosure.
	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	2021 ESG report, Data table p. 17. Fatality metric is disclosed as number not rate.
	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Quantitative	Rate	EM-RM-320a.1	2021 ESG report, Data table p. 17. Fatality metric is disclosed as number not rate.
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and analysis	n/a	EM-EP-320a.2 EM-RM-320a.2	2021 ESG report, Our safety culture p. 31-34
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Discussion and analysis	n/a	RT-CH-320a.2	2021 ESG report, Our safety culture p. 31-34
Product Design & Lifecycle Management	Revenue from products designed for use-phase resource efficiency	Quantitative	Reporting currency	RT-CH-410a.1	Evaluating disclosure for future reports.
	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Quantitative	Percentage (%) by revenue, percentage (%)	RT-CH.410b.1	Evaluating disclosure for future reports.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Discussion and analysis	n/a	RT-CH.410b.2	Evaluating disclosure for future reports.
	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	RT-CH-410c.1	Omitted due to lack of applicability.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Business Model Resilience	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Quantitative	Million barrels (MMbbls), million standard cubic feet (MMscf)	EM-EP-420a.1	Evaluating disclosure for future reports.
	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels, (2) purchase of "separated" renewable identification numbers (RIN)	Quantitative	Percentage (%)	EM-RM-410a.1	Evaluating disclosure for future reports.
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Quantitative	Metric tons (t) CO_2e	EM-EP-420a.2	Evaluating disclosure for future reports.
	Total addressable market and share of market for advanced biofuels and associated infrastructure	Quantitative	Reporting currency, percentage (%)	EM-RM-410a.2	Evaluating disclosure for future reports.
	Amount invested in renewable energy, revenue generated by renewable energy sales	Quantitative	Reporting currency	EM-EP-420a.3	2021 ESG report, Data table p. 18
	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 and analysis	n/a	EM-EP-420a.4	2021 ESG report, Climate & GHG emissions p. 45-46, 51-54
Business Ethics and Transparency	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruptions Perception Index	Quantitative	Percentage (%)	EM-EP-510a.1	Omitted due to lack of applicability. Cenovus does not operate in any of the 20 lowest ranked countries in Transparency International's Corruption Perception Index (2021).
	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation Briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses	Quantitative Discussion and analysis	Reporting currency	EM-RM-520a.1	2021 AIF, Legal proceedings and regulatory actions p. 58 Cenovus has not had any monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations or with price fixing or price manipulation. 2021 ESG report, Our policy management and compliance approach p.84
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and analysis	n/a	EM-EP-510a.2	2021 ESG report, Our policy management and compliance approach p.84

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.	Quantitative Discussion and analysis	Reporting currency	EM-MD-520a.1	2021 AIF, Legal proceedings and regulatory actions p. 58 Cenovus has not had any monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations or with price fixing or price manipulation.
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 and analysis	n/a	EM-EP-530a.1 EM-RM-530a.1 RT-CH-530a.1	2021 MD&A, Risk management and risk factors p. 43-66 2021 ESG report, Risks & opportunities p. 45-50 Advocacy and memberships p. 86
Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Quantitative	Rate	EM-EP-540a.1	2021 ESG report, Data table p. 17
	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR) The entity shall describe incidents with a severity rating of 1 or 2, including their root cause, outcomes, and corrective actions implemented in response.	Quantitative Discussion and analysis	Number, rate	RT-CH-540a.1	Partial disclosure. 2021 ESG report, Data table p. 17 Evaluating Discussion and analysis disclosure for future report.
	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1) and lesser consequence (Tier 2)	Quantitative	Rate	EM-RM-540a.1	2021 ESG report, Data table p. 17
	Number of reportable pipeline incidents, percentage significant	Quantitative	Number, percentage (%)	EM-MD-540a.1	Evaluating disclosure for future reports.
	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and analysis	n/a	EM-EP-540a.2	2021 ESG report, Our safety culture p. 31-34
	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	Quantitative	Percentage	EM-MD-540a.2	Evaluating disclosure for future reports.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Critical Incident Risk Management	Number of transport incidents The entity shall describe significant transport incidents, including their root causes, outcomes, and corrective actions implemented in response.	Quantitative Discussion and analysis	Number	RT-CH-540a.2	Evaluating disclosure for future reports.
	Challenges to Safety Systems indicator rate (Tier 3)	Quantitative	Rate	EM-RM-540a.2	Evaluating disclosure for future reports.
	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	Discussion and analysis	n/a	EM-MD-540a.4	2021 ESG report, Our safety culture p. 31-34
	Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation Disclosure shall include a discussion of processes, procedures, and strategies to manage non-accident and accident releases.	Quantitative Discussion and analysis	Number	EM-MD-540a.3	Evaluating disclosure for future reports.
	Discussion of measurement of Operating Discipline and Management System Performance through Tier 4 Indicators	Discussion and analysis	n/a	EM-RM-540a.3	Evaluating disclosure for future reports.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	CENOVUS DISCLOSURE
Activity Metrics	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Quantitative	Thousand barrels per day (Mbbl/day); Million standard cubic feet per day (MMscf/day)	EM-EP-000.A	2021 ESG report, Data table p. 18 Partial disclosure.
	Production by reportable segment	Quantitative	Cubic metres (m^3) and/or metric tons (t)	RT-CH-000.A	2021 ESG report, Data table p. 18
	Refining throughput of crude oil and other feedstocks	Quantitative	Barrels of Oil Equivalent (BOE)	EM-RM-000.A	2021 ESG report, Data table p. 18
	Total metric ton-kilometres of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	Quantitative	Metric ton (t) kilometres	EM-MD-000.A	Evaluating disclosure for future reports.
	Number of offshore sites	Quantitative	Number	EM-EP-000.B	2021 Cenovus AIF p. 14-16 identifies all offshore sites.
	Refining operating capacity	Quantitative	Million barrels per calendar day (MBPD)	EM-RM-000.B	2021 ESG report, Data table p. 18
	Number of terrestrial sites	Quantitative	Number	EM-EP-000.C	2021 Cenovus AIF p. 10-14 outlines all onshore operations.

ADVISORY

PROVED PLUS PROBABLE RESERVES

Proved plus probable reserves disclosed in this report were evaluated by independent qualified reserves evaluators with an effective date of December 31, 2021. Readers are cautioned that the term reserves life index may be misleading, particularly if used in isolation. This measure is used for consistency with other oil and gas companies and does not reflect the actual life of the reserves. For a full discussion about Cenovus's 2021 proved plus probable reserves see the 2021 Annual Information Form filed for the year ended December 31, 2021.

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", "advance", "aim", "ambition", "anticipate", "build", "can", "commitment", "committed", "continue", "delivering", "develop", "ensure", "establishing", "estimate", "expect", "focus", "goals", "growing", "illustrative", "implementing", "improve", "intend", "maintain", "opportunity", "plan", "position", "potential", "priority", "pursue", "reduce", "remain", "strategy", "target", "will" or similar words or expressions and includes suggestions of future outcomes, including, but not limited to, statements about: forecast commodity price and demand for oil, fuel, natural gas and other byproducts; Cenovus's five ESG focus areas, commitments, targets and further ambitions, including the governance, strategies, and milestones for achieving them; fresh water intensity; reclamation of well sites and habitat restoration; spend with Indigenous businesses and PAR certification; women in leadership roles; complete a voluntary diversity self-identification survey for our staff in Q4 2022; representation of designated groups among non-management directors; CCS initiatives; reducing absolute net equity-based scope 1 and 2 GHG emissions by 35% by year-end 2035 from 2019 levels and long-term ambition to achieve net zero GHG emissions from operations by 2050; our estimate of scope 3 emissions; our climate-related scenario analysis and long-range energy diversification scenarios; managing our assets in a safe, innovative and cost-efficient manner; establishing or updating risk management measures; establishing Cenovus as a strong sustainability performer; our focus on safety and asset integrity and related programs and plans; safety renewal projects; building homes in Indigenous communities nearest our oil sands operations; advancing and incorporating the SDGs into our business activities; enhancing the credibility of our reporting systems; delivering strong business results and long-term financial resilience while operating in a responsible and respectful way; status of the Superior Refinery rebuild and restart; climate-related risks; ESG-related opportunities and examples of Cenovus's actions and risk management strategies; progressing our reclamation inventory to site closure; continuing restoration trials that introduce innovation and efficiencies into our habitat restoration program; leveraging the Pathways Alliance initiative and potential government support to invest in lower-carbon and CCS technologies and infrastructure; Exploring opportunities in alternative end-use markets, including biofuels and asphalt; maintaining an asset portfolio that allows us to remain resilient and sustainable through the commodity price cycle and as the energy mix diversifies; maintaining a focus on our low cost structure, generating free funds flow and growing shareholder returns; positioning Cenovus to remain resilient and generate material free funds flow through a transition to a lower-carbon future; investing in projects based on US$45 per barrel WTI; continuing advocacy efforts to help Canadian oil producers be seen as global suppliers of choice for responsibly produced oil; delivering continuous improvement in process safety performance and management through prioritizing COIMS; prioritizing the health and safety of our staff and the communities where we live and work, and continued safe operations, in the ongoing COVID-19 pandemic; Cenovus's core portfolio remaining hydrocarbon-focused with continued investment in emissions reduction technologies and leveraging existing organizational competencies and talent to improve energy efficiency and reduce GHG emissions from our asset base; our top-tier asset base; the Pathways Alliance projects and plans, including a CO_2 pipeline and sequestration hub project near Cold Lake; our risk management, corporate strategy and five year business plans, including embedding ESG and sustainability considerations therein; reducing methane emissions, including the pilot alternative-fugitive emissions management project; building the capacity of Indigenous suppliers, individuals and communities; establishing water management plans, including identification

and mitigation of water risks, and integrating water sourcing and efficiency into our strategic plans and capital allocation planning; ambition to be a top-tier performer in process and occupational safety, as measured against industry benchmarks; providing a safe, respectful and healthy work environment; incident and emergency response plans; continued participation with industry organizations and associations, including the Pathways Alliance; and the availability and cost of labour and services.

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: our ability to access sufficient capital to pursue sustainability and development plans; our 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 and the commercial viability and scalability of emission reduction strategies and related technology and products; commodity pricing and demand for oil, fuel, natural gas and other byproducts; continuing collaboration with the government, Pathways Alliance and other industry organizations; assumptions related to our climate-related scenario analysis and long-range energy diversification scenarios; the accuracy and credibility of third-party data and assurance upon which we rely; our ability to attract and retain a diverse workforce of qualified staff in a timely and cost-efficient manner; our ability to grow capacity in areas of safety to effectively prevent and mitigate potential process safety events; the performance of assets, resources and equipment; applicable laws and government policies, including royalty rates, and global carbon policies and laws; the receipt, in a timely manner, of regulatory and partner approvals, as applicable; our ability to generate sufficient cash flow to meet current and future obligations; future production rates; our ability to implement capital projects or stages thereof in a successful and timely manner; the availability of Indigenous owned or operated businesses and our ability to retain them; and other risks and uncertainties described from time to time in the filings Cenovus makes with securities regulatory authorities, including the assumptions inherent in Cenovus's 2022 guidance available on cenovus.com.

The risk factors and uncertainties that could cause actual results to differ materially, some of which are specific to Cenovus and others that apply to the industry generally, include, but are not limited to: our 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 and the commercial viability and scalability of emission reduction strategies and related technology and products; the development and execution of strategies to meet climate and GHG emissions targets and ambitions; the effectiveness of our risk management program; risks inherent in the operation of our business; our ability to successfully complete development plans; our ability to maintain positive relationships with communities neighboring our operations; and climate-related risks, including increased operating, capital or compliance costs, declining demand, reduced access to capital, liquidity and/or insurance coverage and lower market valuation, revenues or cash flows. In addition, there are risks that the effect of actions taken by us in achieving targets, commitments and ambitions for our 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, assumptions and uncertainties, see "Risk Management and Risk Factors" and “Advisory” in our Management's Discussion and Analysis (MD&A) for the period ended June 30, 2022 and the risk factors described in other documents Cenovus files from time to time with securities regulatory authorities in Canada, available on SEDAR at sedar.com, and with the U.S. Securities and Exchange Commission on EDGAR at sec.gov, and on the Corporation’s website Cenovus undertakes no obligation to update or revise any forward-looking information except as required by law.

EY
Building a better working world

Independent practitioner's assurance report

To the Management of Cenovus Energy Inc.

Scope

We have been engaged by Cenovus Energy Inc. ("Cenovus") to perform a 'reasonable assurance engagement' and a 'limited assurance engagement' as defined by Canadian Standards on Assurance Engagements, here after referred to as the engagement, over select key performance indicators of Cenovus (collectively, the "Subject Matter") detailed in the accompanying Schedule, for the year ended December 31, 2021, and disclosed in Cenovus' 2021 Environmental, Social & Governance Report (the "Report"). The key performance indicators in scope for 'reasonable assurance' are referred to herein as ("Subject Matter 1") and those in scope for 'limited assurance' are referred to herein as ("Subject Matter 2").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion or opinion on this information.

Criteria applied by Cenovus

In preparing the Subject Matter, Cenovus applied the relevant guidance contained within the International Petroleum Industry Environment and Conservation Association ("IPIECA") Sustainability Reporting Guidance for the oil and gas industry, the Sustainability Accounting Standards Board ("SASB") Standards and internally developed criteria, collectively referred to herein as the "Criteria". The Criteria are identified in the Report on pages 17 – 26.

Cenovus' responsibilities

Cenovus' management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

As related to Subject Matter 1 and Subject Matter 2, our responsibility is to express an opinion or conclusion, respectively, on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *Canadian Standard for Assurance Engagements ('CSAE'), Attestation Engagements Other than Audits or Reviews of Historical Financial Information ('CSAE 3000')* and *CSAE, Assurance Engagements on Greenhouse Gas statements ('CSAE 3410')*. These standards requires that we plan and perform our engagement to obtain reasonable or limited assurance, as applicable, about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion, as related to Subject Matter 1 and for our limited assurance conclusions, as related to Subject Matter 2.

Our independence and quality control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

EY applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Subject Matter 1

Our procedures included:

- Conducting interviews with relevant personnel to obtain an understanding of the business and reporting process and internal controls, including the process for collecting, collating and reporting the Subject Matter 1
- Analytical review procedures to support the reasonableness of the data
- Testing, on a sample basis, accuracy of calculations performed and agreeing to source documentation, where applicable
- Testing that the Criteria has been correctly applied
- Reviewing presentation and disclosure of Subject Matter 1 in the Report

We also performed such other procedures as we considered necessary in the circumstances.

Subject Matter 2

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although 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. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducting interviews with relevant personnel to understand process for collecting, collating and reporting the Subject Matter
- Analytical review procedures, reperformance of calculations, where applicable, and testing, on a limited sample basis, underlying source information to support the completeness and accuracy of the Subject Matter
- Reviewing presentation and disclosure of Subject Matter 2 in the Report

We also performed such other procedures as we considered necessary in the circumstances.

Inherent limitations

Other non-financial information, such as the Subject Matter, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the Subject Matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques which can result in materially different evaluation and can impact comparability between entities and over time.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Opinion – Subject Matter 1

In our opinion, Subject Matter 1 for the year ended December 31, 2021, is presented, in all material respects, in accordance with the applicable Criteria.

Conclusion – Subject Matter 2

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that Subject Matter 2 for the year ended December 31, 2021, is not prepared, in all material respects, in accordance with the Criteria.

Ernst & Young LLP

Calgary, Canada
July 28, 2022

Schedule

The internally and externally developed criteria for Subject Matter 1 and 2 are identified in the Report on pages 17 - 26.

Subject Matter 1

Performance Indicator	Scope	Criteria [1]	Unit of measure	Reported Value
Scope 1 GHG emissions	Company-wide	SASB (EM-EP-110a.1/EM-MD-110a.1/EM-RM-110a.1/RT-CH-110a.1)	MMt CO_2e	17.6
Scope 2 GHG emissions	Company-wide	IPIECA (CCE-4)	MMt CO_2e	1.8

Subject Matter 2

Performance Indicator	Scope	Criteria [1]	Unit of measure	Reported Value
Scope 1 GHG emissions intensity	Company-wide	IPIECA (CCE-4)	t CO_2e/MBOE	47.8
Scope 2 GHG emissions intensity	Company-wide	IPIECA (CCE-4)	t CO_2e/MBOE	5.0
Upstream production	Company-wide	SASB (EM-EP-000.A)	BOE/d	764,639
Downstream throughput	Company-wide	SASB (EM-RM-000.A / EM-RM-000.B)	BOE/d	236,391
Chemical production	Company-wide	SASB (RT-CH-000.A)	BOE/d	2,360
Total fresh water withdrawn	Company-wide	SASB (EM-EP-140a.1/EM-RM-140a.1)	10^3m^3	34,738
Fresh water intensity	Oil Sands	IPIECA (ENV-1)	bbls/BOE	0.12
Fresh water intensity	Lloydminster Thermals	IPIECA (ENV-1)	bbls/BOE	3.71
Well site reclamation certificates received	Saskatchewan and Alberta	Internal	Number	421
Total caribou habitat area under restoration - life to date	Cold Lake Caribou Region	SASB (EM-MD-160a.3)	Acres	198,899
Total area disturbed in caribou habitat (acres)	Company-wide	SASB (EM-MD-160a.3)	Acres	484,462
Caribou habitat restoration ratio	Company-wide	SASB (EM-MD-160a.3)	Ratio	0.41
Annual Indigenous business spend	Company-wide	IPIECA (SOC-14)	$ millions	215
Total recordable incident rate	Company-wide	SASB (EM-EP-320a.1/EM-RM-320a.1/RT-CH-320a.1)	Rate	0.28
Fatalities	Company-wide	SASB (EM-EP-320a.1/EM-RM-320a.1/RT-CH-320a.1)	Rate	0
Process safety events Tier 1	Company-wide	SASB (EM-EP-540a.1/EM-RM-540a.1/RT-CH-540a.1)	Number	9
Process safety events Tier 2	Company-wide	SASB (EM-RM-540a.1)	Number	11
Lost time incident frequency	Company-wide	IPIECA (SHS-3)	Rate	0.03
Percentage of female employees	Canadian operations	IPIECA (SOC-5)	Percentage	29
Percentage female employees - Leadership	Canadian operations	IPIECA (SOC-5)	Percentage	26

(1) Criteria may include disclosure requirements for other performance indicators that are not within scope of this engagement. Performance indicators that are in-scope have been detailed in this schedule.

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