



Making Modern Life Possible

Our Approach To Sustainability



Sustainability Overview

Our commitment to driving environmental, social and governance (ESG) progress is rooted in our foundational values of Trust, Respect, Integrity, Safety and Sustainability. At Ovintiv, we are proud of what we achieve and how we achieve it. We will be at the forefront of driving innovation to both profitably and sustainably produce oil and gas from shale in order to produce safe, affordable and reliable energy to make tomorrow even better than today.

HIGHLIGHTS

- Committed to reduce our Scope 1&2 GHG emission intensity by 50% by 2030 from 2019 levels
- Delivered on our 33% methane intensity reduction target in 2021, four years ahead of schedule
- Aligned fully with the World Bank Zero Routine Flaring Initiative as of September 1, 2021, nine years ahead of the World Bank's 2030 compliance target
- Made 2021 our safest year ever for the eighth consecutive year
- Established a social commitment leadership team to focus our social engagement programs and practices
- Broadened Board diversity
- Ensured alignment to our ESG objectives by tying our methane reduction target to compensation

FROM THE CHAIR & CEO

We will be at the forefront of driving innovation to both profitably and sustainably produce oil and gas from shale.

Producing safe, affordable and reliable energy both profitably and sustainably is a powerful purpose – one that we take seriously. Our products fuel the world and make modern life possible. Oil, natural gas and natural gas liquids are essential to every aspect of life from transportation to education to healthcare. It is easy to forget how reliant families and communities across the globe are on oil and gas, from the clothes we wear, the food we eat, the mobility we cherish and the electronic technologies we rely on every day. The reliability and affordability of our products combat poverty, enhance quality of life and drive our economies.

Our business performance is very strong; and we have achieved several recent profitability and sustainability highlights:

- Achieved our 7th consecutive safest year ever in 2020 with a Total Recordable Injury Frequency of 0.19
- Delivering on our 33% methane intensity reduction target this year, four years ahead of schedule
- Have line of sight to a greater than 20% reduction in our Scope 1 & 2 GHG intensity by year-end 2021, measured against our 2019 baseline
- Became the first E&P company to become fully aligned with the World Bank Zero Routine Flaring initiative, nine years ahead of the World Bank's 2030 compliance target
- Established real-time emissions dashboard across our operations
- Leader in industry-wide advancement of uniform emission metrics
- Broadened the diversity of our Board
- Established a Social Commitment Leadership Team and published our first social commitment framework
- On track to generate over \$1.7 billion of free cash flow this year
- Expect to reduce debt by approximately \$3 billion by year-end 2021
- Announced a new capital allocation framework designed to increase cash returns to shareholders, deliver financial strength and generate superior returns

ESG progress is fundamental to human advancement and essential to the global ambition to reduce emissions.

Our commitment to drive environmental, social and governance (ESG) progress is rooted in our foundational values of Trust, Respect, Integrity, Safety and Sustainability. These values are central to our ESG commitments, guiding our behavior and defining what we expect of ourselves and others. We believe that trust starts with transparency, which is why we are a leader in ESG disclosure, having published a sustainability report and ESG Performance metrics data since 2005. We value honest dialogue with our stakeholders about key issues and making measurable progress.



Peter Dea
Chairman of the Board



Brendan McCracken
President & Chief Executive Officer

Sustainability and safety are embedded in how we work. In 2020 throughout the COVID 19 pandemic, we leveraged off these strengths to ensure that the physical and mental health of our employees was of paramount importance. Our Pandemic Response Team developed protocols that allowed us to keep our operations and offices open while our leaders worked closely with our teams to provide the flexibility and support needed in a dynamic and challenging situation. Throughout the pandemic, we have offered employee and family assistance programs, health and wellness support, mentoring circles and an innovative employee networking and knowledge sharing program to help employees stay safely connected with their colleagues.

Setting targets and driving real, demonstrated progress is a hallmark of our culture. At the end of 2020, we announced a goal to reduce methane intensity by 33% by 2025. Our Board approved this goal, tying it to the annual compensation for all employees beginning in 2021. We are proud to report that we are on-track to deliver this reduction target four years ahead of schedule. In addition, we are the first E&P company to declare full alignment with the World Bank Routine Flaring Initiative – a milestone we reached as of September 1, 2021, nine years ahead of the World Bank's 2030 compliance target. We have also developed a dashboard to allow real-time monitoring of our emissions performance to further drive results. In 2022, you will see further commitment to ESG progress as we expect to set a greenhouse gas (GHG) emissions intensity target.

Our ambition isn't limited to financial, operational, safety and environmental performance. During the past year, we developed a Social Commitment Framework which articulates our dedication to social responsibility to ensure we can be proud of our results and how we achieve them. We are fostering a culture of diversity, equity and inclusion and have recently broadened the diversity of our Board through our ongoing Board refreshment process. In addition, we offered training on unconscious bias, guest speakers on inclusion, equity and diversity and Inclusion at Work focus groups and surveys. Ovintiv contributes to the strength, sustainability and quality of life in the communities where we operate by getting to know our neighbors, understanding local needs and providing support through our community investment program.

As we shift to an online report and enhance our disclosures, we hope that you will more efficiently find the information on issues that you care about most. We have dedicated a section of our report to our climate response and highlighted new metrics, some of which are included in our employee compensation program.

As one of the largest producers of oil and condensate, natural gas and natural gas liquids in North America, our team stands united by a commitment to drive progress and improve lives. This drive, coupled with our values, pushes us to continually improve our ESG performance. It's a commitment that is intentional and authentic – a reflection of our history, our high standards and our vision for the future.

We are positioned for success – powered by our unique culture of values, innovation, teamwork and discipline. This culture and our committed team of employees across North America, enables us to deliver quality returns with respect and responsibility.

We appreciate your interest and trust you will find this website helpful in understanding our ESG approach and commitment to sustainability.

Sincerely,

Peter Dea

Chairman of the Board

Brendan McCracken

President & Chief Executive Officer

MAKING MODERN LIFE POSSIBLE

Our rapid progress on ESG is fundamental to human advancement and essential to the global ambition to reduce emissions.



At Ovintiv, we will continue to pioneer innovative ways to provide energy while driving down global emissions both today and into the future. Our commitment is to be at the forefront of driving innovation to both profitably and sustainably produce oil and gas from shale.

One of the biggest drivers of reduced per capita GHG emissions in the US has been the conversion of coal-fired power plants to natural gas. The shift away from coal has enabled both cleaner air and the lowest level of per capita GHG emissions in over 50 years. Over half of that drop is attributable to the shift to natural gas fired power generation, which is now responsible for supplying almost 40% of electricity in the US. (EIA Report, Sept. 2020).

Producing safe, affordable and reliable energy is a powerful purpose — one that we take seriously at Ovintiv. Oil & natural gas are essential to every aspect of life, from healthcare and education to the clothes we wear, the food we eat, the mobility we cherish, and the technologies we use. Energy reliability and affordability combat poverty, enhance quality of life, and drive our economies.

As a responsible and innovative producer of oil and natural gas, we are committed to drive progress and improve lives. The world needs our product.

« Petroleum products drive every facet of our economy and are critical to every sector within the economy: mining of raw materials (including for wind, solar and battery equipment), manufacturing, transportation and electricity. Without petroleum products the world and quality of life as we know it abruptly stops.

Healthcare

The importance of available healthcare has been stark as the world has battled with the COVID-19 pandemic. Petroleum products underpin almost all of the critical inputs used to care for patients in hospitals...from the ambulance that gets patients to the emergency room, to the reliable energy that powers our hospitals and critical care units to the protective equipment that keeps people safe.

« Always on and ready – All critical life-saving medical equipment is made from petroleum products from imaging, diagnostic, monitoring and life-sustaining equipment to protective wear, such as face shields and hazmat suits designed to keep our families alive, safe and healthy.



Education

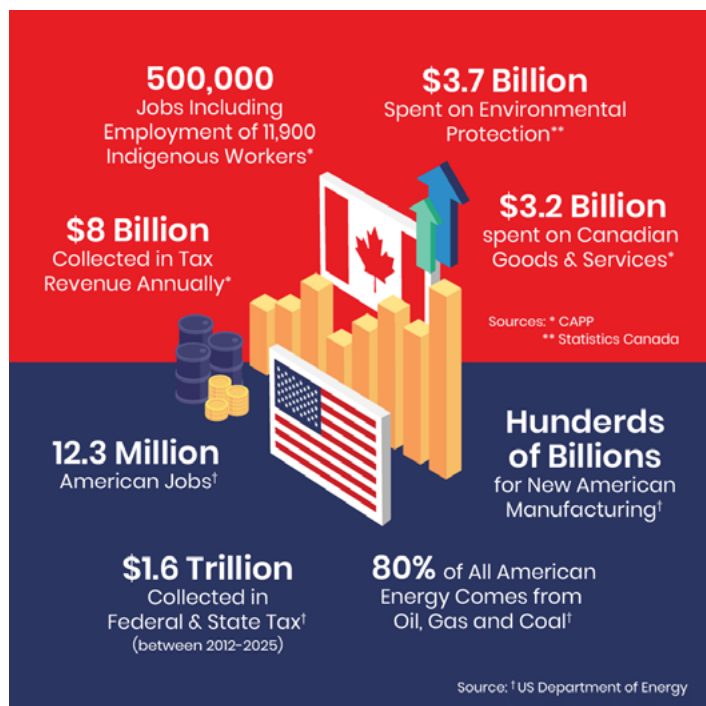
Our products are used throughout our everyday lives and are critical to providing a quality education. Access to education is one of the pillars of our children's development and later the training preparing them for a meaningful career. Petroleum products heat, cool and power our schools and post secondary facilities, providing materials for our desks, computers, crayons, running shoes and bikes. They are the building blocks from our playgrounds to our research labs.

« Education paves the way for our children's future – access to a quality education is underpinned by petroleum products. Digital education in schools or at home require reliable energy to ensure our children can continue to develop and progress society into the future.

Mobility

In an integrated world oil and gas provides the ability to reliably, economically and swiftly move people, equipment and products around the globe. Businesses rely on flexibility and mobility – from mining raw materials to refined products, our integrated supply chains require reliable, accessible and affordable energy. People enjoy the convenience of travel, appreciate the ease of online shopping and shipping to our homes and depend on the many other benefits of our modern transportation network.

« Enabling the flexibility to travel and reconnect with loved ones; the ability for home delivery; moving equipment and products across town or across the globe. Petroleum products are at the core of making mobility possible.



Economy

The oil and gas industry is a significant direct and indirect contributor to the North American economy especially in rural areas. The tax and royalty revenue paid to local governments funds the social programs, education, healthcare, infrastructure and conservation all critical to building a strong and prosperous society.

« The petroleum industry is a significant source of exciting jobs that drive local and regional economies. Salaries, taxes and royalties all contribute to building strong, progressive communities.

Increasing Quality of Life

Affordable, reliable and accessible energy are foundational for increasing quality of life. Energy costs matter – high energy costs directly hurt the most vulnerable people in our society. Whether its higher home heating or power bills, or a skyrocketing price at the pump, increasing energy costs put undue pressure on people and families that can least afford it, making it more difficult to access the important building blocks of society like healthcare, education and mobility.

« Energy poverty is challenge around the world; it's a barrier to quality healthcare, education and a better life. Access to affordable and reliable energy is the steppingstone to improving quality of life at home and around the globe.



The screenshot shows the homepage of the Switch Energy Alliance website. The header includes the logo 'SWITCH ENERGY ALLIANCE' and navigation links: ABOUT, FILMS, VIDEOS, PROGRAMS, NEWS, LOGIN, and a 'Sign Up For Free' button. The main heading is 'Inspiring An Energy Educated Future'. Below this, a text box states: 'Switch Energy Alliance (SEA) is a 501(c)(3) dedicated to inspiring an energy-educated future that is objective, nonpartisan, and sensible.' The background image shows a group of people working on solar panels in a rural setting. At the bottom, there are five icons with corresponding text: 'SEA and the Importance of Energy', 'Switch Classroom', 'International Switch Energy Case Competition', 'World Class Video Library', and 'Watch Switch On'.

Switch Energy Alliance

Energy fuels the engine of the modern world and has the power to bring billions more out of abject poverty. Because energy reaches into every facet of our lives, it is highly political. Biases and emotions run deep, and facts and data are often distorted, or worse.

SEA's global video- and web-based approach engages students and general viewers in a positive conversation to work collaboratively on energy challenges. SEA reaches millions of people of all ages around the world where they live and learn: online, in classrooms, in professional training, and in museums.

Visit [Switch Energy Alliance](#) for an objective, non partisan view of the world's energy future.

OUR APPROACH TO ESG

At Ovintiv, ESG is a pillar of our business strategy. Driving ESG progress directly contributes to economic performance and long-term value creation for our shareholders. That's why ESG leadership starts at the top.

Our Board and executive leadership team direct our ESG strategies, monitoring progress and performance through the Board's committee structure. High standards for ESG excellence are established through our policies and programs, and employees understand the company's expectations and are empowered to take ownership of their own performance.

By linking employee and executive compensation to ESG and other performance-related metrics, we ensure every team member has investment in our continuous improvement. Most notably, starting in 2021, we included our methane emissions reductions target in our compensation scorecard. For our 2022 compensation program, we will establish a Scope 1&2 GHG emissions intensity target, further incentivizing our team members to be both innovative and responsible in their daily decision-making.



HISTORY OF TRANSPARENT DISCLOSURE

Since 2005, Ovintiv has published a sustainability report that provides transparency into our ESG performance and related issues that could impact our business.

To determine which topics to highlight in our reporting, we conduct an annual ESG materiality assessment, track input and guidance from key financial stakeholders and reference a number of third-party reporting standards and frameworks.

Reporting and Standards Alignment

Although there is no standardized disclosure framework for upstream oil and gas producers, we reference the IPIECA Sustainability Reporting Guidance for the Oil and Gas Industry and the SASB Oil and Gas Standard to inform our reporting. Our memberships with IPIECA and the SASB Alliance provide us with an opportunity to engage with key stakeholders while aligning with reporting standards.

We continue to advance our climate-related disclosures in our fourth year of reporting in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD)'s framework. Reviewing IPIECA, SASB and TCFD standards, and engaging with investors and ESG research and ratings agencies, helps enhance our disclosures and report them in a way that is relevant and useful to stakeholders.



ipieca



Collaborating for Reporting Consistency

New for 2020, we actively participated in the efforts of American Exploration & Production Council (AXPC)—a national trade association representing the largest independent producers of oil and gas in the U.S.—to develop the AXPC ESG Metrics Framework and Template. This framework is intended to supplement each member company's individual reporting efforts and voluntarily standardize several key upstream environmental emissions and safety metrics.

Currently the framework suggests consistent and transparent reporting around five focus areas: GHG emissions, flaring, spills, water use and safety. By creating a common set of metrics, AXPC member companies now have relevant, consistent and comparable data for greater stakeholder transparency. Interested stakeholders can find guidance on the framework by visiting the AXPC website and Ovintiv's AXPC ESG metrics are available [here](#).



ESG MATERIALITY ASSESSMENT

To ensure the relevance of our reporting, we actively engage with key internal and external stakeholders through ESG materiality assessments. During these assessments, we evaluate ESG issues against two criteria: impact to our business and importance to stakeholders.

To develop a list of ESG issues relevant to Oviniv and our shareholders, we utilize international sustainability reporting standards, perform gap analyses based on disclosure benchmarking and include feedback from stakeholder interaction throughout the year. Next, we meet with stakeholder groups through a formal, strategic process that incorporates both qualitative research and quantitative analysis to effectively evaluate the most relevant ESG issues.

We share the results of these assessments with our executive leadership team and the Corporate Responsibility and Governance (CRG) and Environmental, Health and Safety (EH&S) committees of our Board in addition to integrating our findings with Oviniv's enterprise risk management program.



ESG Materiality Assessment Priorities

Environment

- Emissions and Climate Change
- Induced Seismicity
- Spill Prevention
- Water and Waste
- Biodiversity
- Legacy Assets

Social

- Human Rights and Indigenous Peoples Rights
- Occupational Health and Safety
- Community Engagement
- Diversity, Equity and Inclusion

Governance

- Climate Transition Risk
- Critical Incident Risk Management
- Board Leadership/Renewal
- Business Ethics

Pandemic Response

- Employee Health and Safety
- Business Continuity

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



IPIECA, the global oil and gas association for advancing environmental and social performance, partnered with the World Business Council for Sustainable Development to develop a shared understanding of how the oil and gas industry impacts the United Nations (UN) Sustainable Development Goals (SDGs).

This partnership created a roadmap for how our sector can support these goals and contribute to a healthier and more prosperous world. This guidance, along with the context outlined in the SDGs, help direct and influence sustainability decision-making at Ovintiv.

The United Nations Sustainable Development Goals

The UN SDGs are a blueprint for global partnership. Although the SDGs include 17 goals ranging from ending poverty to preserving oceans, IPIECA identified 10 that are most impacted by the oil and gas industry.



“Energy is a key driver of sustainable development and is often described as the ‘golden thread’ that links most of the SDGs and the 2030 Agenda pledge to ‘leave no one behind’.”

– IPIECA “Supporting the SDGs”



Environment

At Ovintiv, we produce the affordable, reliable and safe energy our world needs, but we recognize that it comes with impacts. We will be at the forefront of driving innovation to both profitably and sustainably produce oil and gas.

By taking a stewardship approach to our environmental protection efforts, we can reduce our footprint and—as a leading operator—serve as a powerful example within our industry. With measured and purposeful goal setting, engaged governance and employee ownership, we show our commitment to driving ESG progress. Innovating in pursuit of efficiency is what we do best, and that includes continuously improving our environmental performance.

HIGHLIGHTS

- Committed to reduce our Scope 1&2 GHG emission intensity by 50% by 2030 from 2019 levels
- Delivered on our 33% methane intensity reduction target in 2021, four years ahead of schedule
- Aligned fully with the World Bank Zero Routine Flaring initiative as of September 1, 2021, nine years ahead of the World Bank's 2030 compliance target
- Established an emissions reduction task force led by our Chief Engineer
- Implemented an emissions dashboard to enable real-time monitoring of emissions performance

EMISSIONS AND CLIMATE CHANGE

We are committed to reducing our air impact through strategic design, innovation and efficiency for the lifecycle of our operations.

To achieve measurable results on this commitment, we have set a goal of reducing our Scope 1&2 GHG emission intensity by 50% by 2030 from 2019 levels after delivering on our 2025 methane intensity reduction target four years ahead of schedule.

Measuring and Managing Emissions

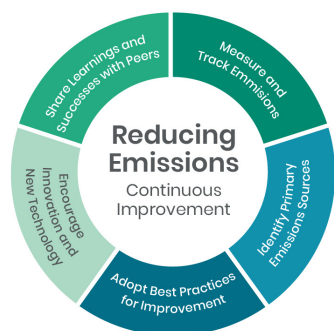
Ovintiv recognizes climate change as a global concern and our role in reducing emissions. Tracking emissions allows us to set measured and achievable goals and identify solutions to decrease emissions intensity. We have monitored GHG emissions for more than 15 years and have significantly decreased our emissions intensity during this time. We have enabled proactive emissions management by establishing a real-time emissions dashboard across our operations, allowing our teams to make data informed emissions management decisions.

We report gross emissions according to federal, state or provincial requirements, and we use intensity metrics for benchmarking and goal setting. Intensity metrics provide a more contextual measure of our impact with greater opportunity for consistency and comparability..

Gross emissions data sources:



Emissions Reduction Best Practices



We have adopted—and continue to adopt—a range of strategies to help reduce emissions from our operations. These best practices include innovative techniques, efficiencies and proven technology.

- Continuing our comprehensive Leak Detection and Repair (LDAR) program
- Established a real-time emissions dashboard to monitor emissions performance data and drive further improvements
- Electrification of operations proximal to existing, reliable electricity infrastructure and supply
- Utilizing bi-fuel (natural gas and diesel) technology in our drilling and completions operations to reduce emissions and costs
- Adopted automated gas lift optimization processes to enhance production and reduce well downtime
- Conducting inline testing, where practical, to reduce flaring during completions
- Using water distribution pipeline networks to reduce trucking and tailpipe emissions
- Installed vapor recovery units and towers
- Replaced more than 450 high-bleed pneumatic devices with a commitment to remove all by 2022
- Installed instrument air-driven pneumatic devices to eliminate vented methane emissions
- Reduced the number of pneumatic chemical injection pumps by 75%
- Eliminated high-emitting equipment such as line heaters.

Leak Detection and Repair (LDAR)

Tracking and reporting methane emissions and intensity allows us to consistently benchmark our methane reduction efforts throughout our operations. LDAR has been a part of Ovintiv's environmental strategy for nearly 15 years. Using optical gas imaging (OGI) cameras, we can identify leaks and initiate repairs to reduce methane emissions on-site.

We comply with local and federal LDAR regulations and implement a voluntary LDAR program to complete surveys at certain non-regulated facilities. Surveys typically occur on a bi-monthly, quarterly or semi-annual basis depending on requirements, inspections and directed maintenance. We supplement our OGI monitoring with on-site audio, visual, olfactory (AVO) surveys. We also utilize unmanned drones, equipped with OGI cameras to conduct aerial surveys of facilities, pipelines or hard-to-reach areas.

OGI surveyors can scan thousands of connection points from a safe distance, using the camera's technology to see invisible methane gases.

In 2020, we conducted 2,429 LDAR surveys using OGI cameras and monitored over 11 facilities and 200 miles of pipeline using drones.

When we detect a leak, our program includes three components for continuous improvement:

Repair

Our OGI surveyors are trained in leak repair and service a significant number of leaks upon detection.

Documentation

We use a digital logging system, which automatically integrates with our compliance system, to track inspection dates, findings and repairs.

Data Analysis and Directed Maintenance

By analyzing LDAR survey data, we identify trends and specific facilities, components and equipment with a greater potential for leaks. We proactively direct inspection and maintenance activities for these sites to mitigate potential future leaks.

Reducing the Need to Flare

We are committed to providing safe, reliable and affordable energy while driving down global emissions both today and in the future. Through our relentless pursuit of efficiency and continuous improvement, as of September 1, 2021, we are fully aligned with the World Bank Zero Routine Flaring by 2030 initiative, nine years ahead of the World Bank's compliance target.

Routine flaring occurs during normal oil production operations in the absence of facilities or geology needed to re-inject the produced gas, or the ability to use it on-site or send it to a market.

Non-routine flaring of natural gas may occur for safety reasons and is temporary by nature. The initiative does not include non-routine flaring events including: exploration and appraisal; initial well flow-back; well servicing; process upset; safety or emergency situations; equipment or gas handling infrastructure malfunction; or de-pressuring equipment for maintenance. Also excluded is purge and pilot flaring necessary for safe flare operation and combustion of hazardous or polluting emissions, such as volatile organic compounds and hydrogen sulfide.



To help us align with the World Bank initiative and better understand where and when flaring occurs in our operations, we created an internal emissions dashboard to examine flaring volumes in real time.

Our Approach to Effective Climate Change Policy

Meeting growing needs for safe, reliable and affordable energy while addressing GHG emissions is a complex challenge for policymakers.

We support a transparent and practical approach to improved GHG emissions performance, where government policy defines goals but grants industry flexibility to develop effective, efficient and innovative solutions. Ovintiv partners with key stakeholders and industry peers to help inform regulatory development and encourage these actionable solutions.

Climate Change Policy Goals

- Foster transparent partnership among key stakeholders
- Facilitate meaningful GHG emissions reductions
- Align economic, environmental and energy security needs
- Promote innovation and actionable solutions

OPERATIONAL INNOVATION

We believe that innovation, efficiency and technology are the most effective and decisive methods for minimizing our environmental footprint. As part of our operational strategy, we challenge our teams to identify and implement new ways to enhance our processes. As represented by the below examples, we drive continuous improvement across the lifecycle of our operations.

Chiefs Organization

Our unique Chiefs organization exemplifies Ovintiv's commitment to innovation and teamwork. This small group of highly experienced and proven experts from key aspects of our operations creates a multi-basin approach to reduce costs, solve complex problems, develop new products and share emerging technology across disciplines. The organization was developed internally to drive continuous improvement through collaboration and the pursuit of innovative ideas. Knowledge sharing is enhanced through technical exchanges and advisors embedded within the operating teams.

In 2020, Ovintiv established an emissions reduction task force within the Chief's organization chaired by our Chief Engineer. It has been charged with identifying and evaluating operational emissions reduction opportunities among other environmental improvements.

Emissions Reduction Board Tour

In 2021, our Executive team and Board Members engaged directly with our field team on a tour showcasing new emissions reduction technology in our Permian operations. The Board was able to see first-hand the full spectrum of approaches we have taken to drive our emissions lower and interact at a field level with our employees who are implementing these new processes every day. This includes how we plan new pad sites for efficiency to minimize venting and flaring, new flaring reduction technology, LDAR equipment, continuous methane monitoring and the use of wet sand in our completions operations.



Drilling



Evaluating Lower Carbon Power

Ovintiv has tested using alternative power sources, including grid electricity and battery power, on our drilling sites which are traditionally powered by diesel. Barriers to broad implementation vary by operating area, so we are continuing to evaluate these opportunities in a more targeted way. Investigation of alternative power sources builds upon our commitment to be innovative and utilize new technologies to reduce our carbon footprint.

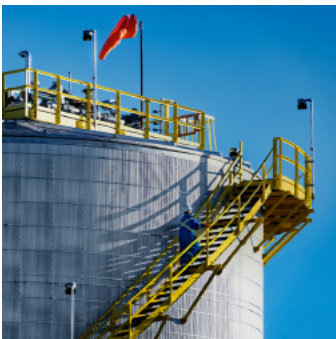
Operations



Automation Means More Efficient Performance

Across Ovintiv, teams are integrating and automating their data and planning tools for greater collaboration, efficiencies and more real-time reporting. Often this integration enhances data integrity and can deliver cost savings. For example, our Production Engineering department automated certain processes and improved their workflows to allow for real-time optimization in artificial lift, chemical pumps and monitoring. These changes deliver cost savings and enhance safety at our sites.

Completions

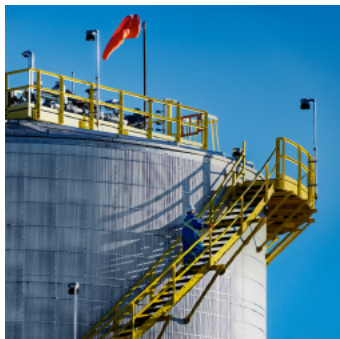


Less Fluid, Reduced Frac Hits

Infill wells – new wells drilled near legacy or “parent” wells – have become common in shale plays, enabling access to more resource while limiting operational footprint. However, during completion activities, hydraulic fracturing fluids from the new well can affect pre-existing parent wells causing a “frac hit.” This “hit” creates pressure loss in parent wells, leading to lower production and the potential to damage production tubing, casing and even wellheads.

To mitigate frac hits, we changed our completions design to use less fluid in the hydraulic fracturing process. In addition to preserving production, this technique typically uses less water, can mitigate induced seismicity during hydraulic fracturing operations, and reduces flaring and associated emissions upon flowback.

Completion Continued



Simul-Fracs Transform Completions

Simul-frac, an innovative completions technique, is now used extensively across all of our operating areas. It involves hydraulically fracturing two wells at once. By pumping down two wells, more can be done with the same amount of horsepower, leading to reduced fuel use and wear and tear on equipment. Unlike a zipper frac, where one well is completed with 100 barrels of fluid per minute, simul-fracs use 120 to 140 barrels of fluid per minute between two wells. In the Uinta Basin, simul-fracs have delivered a three times efficiency gain. With significant energy, emissions and cost efficiencies already achieved, we continue to explore opportunities to further optimize simul-frac in our operations.

Using Wet Sand Lowers Environmental Impact and Operating Cost

Hydraulic fracturing uses large volumes of specialty-sourced sand as part of the process. This sand keeps rock fractures open so that oil and gas can flow through the wellbore. Historically, this sand was dried at a mine using heated air before being transported to the wellsite. Drying and transporting sand is emissions, fuel and cost intensive. Operations and Supply Management teams developed an innovative way to use locally sourced wet sand instead and worked with service providers to implement it in the field.

By using wet sand, we lower the environmental footprint of the mining process. Not only do we avoid the energy intensive drying process, but there is no need for routing gas or electric lines to the dryer equipment or obtaining regulatory air permits. Storage is also more efficient since wet sand can be stocked in large, low-cost decanting piles. In addition to reducing costs, the use of wet sand keeps silica dust adhered to the other particles, limiting the hazardous airborne dust that can occur in any workplace that uses dry sand.

Locally sourcing the wet sand has the added benefit of further emissions reductions through reduced transportation from traditional mines which are typically located long distances from the wellhead.

Emissions



Montney Production: Powered by Hydroelectricity

Hydroelectricity, rather than natural gas, powers the majority of Ovintiv's gas processing in the Montney area of Canada. The Saturn, Sunrise, and Tower processing plants are tied into the clean electrical grid in British Columbia (BC) and can avoid up to 860,000 tonnes of carbon dioxide equivalent emissions annually, which is comparable to the emissions from 184,000 vehicles per year. Electrification has the added benefit of reducing operational noise compared to non-electric facilities.

We Have Expanded Our Electric-Drive Portfolio to Include:

- Artificial gas lift infrastructure, pump jacks and jet pumps
- Water and disposal well facilities
- Process controllers (e.g. liquid level controllers)
- Chemical and fluid transfer pumps
- Lease automatic custody transfer units
- Vapor recovery units

New Wellsite Design Eliminates Methane Venting

Ovintiv developed a wellsite design that eliminates methane venting under normal operating conditions. The new design involves a closed system that captures and combusts methane from gas-driven pneumatic controllers and pumps that would otherwise vent to atmosphere. Rigorously field tested in 2020, the non-venting wellsite design has subsequently been deployed at new wellsites in British Columbia and will be rolled out to Alberta in 2022. Ovintiv developed this robust design in advance of regulatory compliance requirements coming into effect and we continue to evaluate alternative designs and technologies that could further improve emissions performance at wellsites.

Partnering for Emissions Reductions

In 2020, Ovintiv partnered with a third party to go beyond compliance and reduce methane emissions in our Alberta operations in advance of emissions reduction regulations. This program is expected to support the replacement of 340 high-bleed pneumatic controllers with low-bleed devices, reducing associated methane emissions in the range of 22,500 tonnes of CO₂e per year.

Unique aspects of this arrangement included:

- Our third-party partner funded the retrofit program and managed implementation, leveraging operational and cost efficiencies of a broader program (over 11,000 devices, industry-wide, to date)
- The associated emissions reductions were registered as a carbon offset project with revenue from offset sales prioritized to pay out the third party's investment, and post-pay out revenue is shared

We are now turning our attention to overcoming technological barriers to adopting low- to no-bleed pneumatic pumps via collaboration with technology providers, consortia and peers.

Key Collaborations

We believe collaboration solves problems, drives innovation and improves outcomes. We participate in trade associations and partner with a variety of government and other organizations to investigate challenges that impact our industry broadly and increase scientific knowledge of the attributes and behavior of the rocks and reservoirs where we operate. The results of this research often inform best management practices relating to production efficiencies, the environment and the health and safety of our employees.



The Environmental Partnership

Ovintiv was a founding member of The Environmental Partnership – a group of 90 oil and natural gas companies of all sizes – committed to reducing the industry's environmental impact. By learning from each other and taking action, we identify emissions reduction solutions that are technically feasible and commercially proven.

2020 Focus

Developed standardized metrics for flaring and venting emissions measurement and advanced methane leak detection technologies and processes.



Petroleum Technology Alliance Canada (PTAC)

PTAC serves as a third-party, non-profit facilitator of research and technology development, and manages the industry-sponsored Alberta Upstream Petroleum Research Fund (AUPRF). This fund supports independent peer-reviewed research performed by consultants and scientists (government and academia) to increase knowledge, assist in decision-making and develop solutions to industry ESG matters.

2020 Focus

Developed cost-effective, reliable technologies in the areas of methane leak detection and fugitive emissions reduction. Ovintiv participated in a knowledge exchange, detailing our experience in designing and deploying a non-venting wellsite solution.

BC Oil & Gas Methane Emissions Research Collaborative (MERC)

Created in 2020, MERC is a joint initiative between industry, the British Columbia government and environmental non-government organizations to advance research on methane emissions from oil and natural gas activity. The initiative's goals include broadening scientific understanding of methane emission sources, detection and measurement methods and identifying emission reduction and control technologies that can be implemented by operators.

2020 Focus

Developed terms of reference and focus areas for future research efforts including methane leak detection and quantification.



BC Oil and Gas Research and Innovation Society (BC OGRIS)

BC OGRIS focuses on addressing knowledge gaps to inform environmental, operational and health and safety policy and industry practices related to oil and gas exploration and development in British Columbia. BC OGRIS manages industry-sponsored funding for independent peer-reviewed research that seeks to improve industry environmental performance.

2020 Focus

Continued support of the multi-year First Nation Environmental Monitor Program that trains liaisons from Indigenous communities to monitor oil and gas-related impacts.



Colorado State University (CSU)'s Methane Emissions Technology Evaluation Center (METEC)

Ovintiv participates in METEC's LDAR Equivalency Project comparing agency, consulting and industry leak detection and repair (LDAR) protocols. We serve as industry advisor to the CSU project team, helping the group develop a LDAR training course.

2020 Focus

Continued working to develop a comparative pathway for alternative leak detection technologies.

WATER STEWARDSHIP

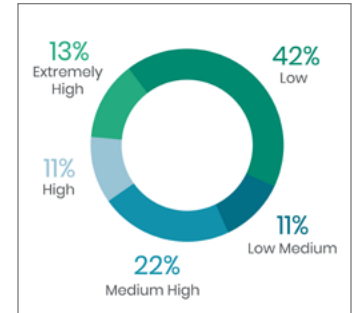
We manage water efficiently, taking responsibility for the use of this valuable resource.



Although access to water and water scarcity are global issues, we tailor our water management approach to address local and regional water concerns. Using the World Resources Institute (WRI) Aqueduct Water Risk Atlas, we determined that 75% of the counties where we operate have medium to low water stress levels. In operating areas which are considered to have high or extremely high levels of water stress, we incorporate that knowledge into our water management plans.

Ovintiv's water management program considers location, resources, regulations, water stress, cost and operational need when planning water solutions by site and operating area. We recognize that water sources vary by region and no single water management approach works for all areas.

Water Stress Assessment



Percentage of water stress in operations by county

Alternative Water Use

We are committed to finding and using alternative (non-fresh) water sources when feasible for our completions activities. In our Permian and Montney operations, we have water hubs—facilities that efficiently collect, treat and reuse produced and flowback water. Reusing water reduces our reliance on surface and fresh water resources and improves the efficiency of our water handling. Operating recycled water infrastructure is often less expensive than freshwater and avoids the need for wastewater injection.

Permian Water Recycling Successes Since 2017

4
Billion
Gallons of Water
Recycled

43
Wells
Completed with
100% Recycled
Water

Increased
Water Recycled
for Completions by
4x

Montney Water Hub Offers ESG Benefits in Cutbank Ridge

Our water resource hub in the Cutbank Ridge of our Montney operating area is a closed loop system that runs on hydropower. Since the hub's opening, it has conserved approximately 1.2 billion gallons of fresh water, equivalent to the average annual water use of approximately 8,200 households.

Using the hub has a positive community impact beyond water conservation as this facility, powered by hydroelectricity, has reduced emissions and noise. Also, since we transport the recycled water via pipelines, we reduce truck traffic on local roads. More than 153,000 water hauling truck trips have been eliminated since these water hubs started operations.



Protecting Groundwater

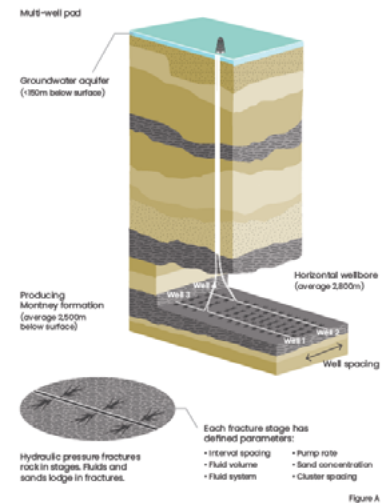
Much of Ovintiv's water use occurs during our completions activities. The goal of hydraulic fracturing is to enhance hydrocarbon recovery by creating pathways for the oil and gas trapped in the rock to flow through the wellbore to production equipment at the surface. This controlled operation pumps a mixture of primarily water and sand through the wellbore to the targeted formation at a high pressure in multiple intervals or stages. Our wells are designed with advanced planning and engineering to protect groundwater and fresh water zones.

In all Ovintiv operations, rigorous water management and groundwater protection are vital parts of this process.

- An impermeable steel casing system prevents fluids from migrating from the wellbore
- Monitoring the integrity of the casing and cement system through field inspection and wellbore logging ensures real-time response
- Pressure testing the wellbore ensures integrity. We pressure test before we begin completions and during each fracturing stage

In all Ovintiv operations, rigorous water management and groundwater protection are vital parts of this process.

Any flow of fluids into non-targeted areas will be detected immediately by a sudden loss in pressure and operations will be halted.



Responsible Products

We continue to build upon our detailed understanding of the chemicals used in the completions process to ensure we use the most responsible hydraulic fracturing fluid formulations and fluid management practices available.

Hydraulic fracturing processes are strictly regulated by various state or provincial government agencies. These regulations include keeping Safety Data Sheets that detail the ingredients used in hydraulic fracturing fluid at each location. U.S. and Canadian regulatory bodies establish standards for the disclosure of this information, including the protection of trade secrets and confidential business information. We report the ingredients we are legally permitted to share through the FracFocus chemical disclosure registry.

Ovintiv's Responsible Products Program provides guidance on managing additive and chemical use in hydraulic fracturing to comply with regulations and mitigate potential environmental and health impacts. All hydraulic fracturing fluid products we use are assessed for potential impact to the environment and human health using generally accepted toxicological criteria.

We also encourage our suppliers to improve their public disclosure of fluid formulations and to advance the development of more responsible fluid additives and test new technologies that reduce environmental exposure and risk.

Ovintiv prohibits the use of hydraulic fracturing fluid products containing:

- Arsenic
- Benzene
- Cadmium
- Chromium
- Diesel
- Lead
- Mercury
- 2-Butoxyethanol (2-BE)
- Other heavy metals

Spill Prevention

Preventing spills is essential to minimizing environmental impacts, maintaining our social and regulatory license to operate and ensuring a safe workplace.

Effective spill management requires routine maintenance, situational preparedness, continuous improvement and adherence to regulatory reporting requirements. Our Spill Prevention Principles focus on four areas: transferring fluid, following operational procedures, ensuring equipment integrity and considering spill prevention in our site design. We use these principles to incorporate field-based practices into our operations to prevent spills from occurring and to minimize, manage and report them accurately if they do occur.

Preventing spills is essential to minimizing environmental impacts, maintaining our social and regulatory license to operate and ensuring a safe workplace.

Spill Prevention Principles

Fluid Transfer

Checks are in place to reduce spills.

- Never leave fluid transfers unattended
- Conduct regular tank truck inspections
- Ensure valves are in the correct position

Procedures

Deviating from procedures can compromise spill prevention.

- Follow procedures and do not take shortcuts to prevent spills
- Pay attention during start up and shut down of equipment
- Stop the job if you observe a situation that could lead to a spill

Equipment Integrity

We ensure equipment performs and is maintained correctly.

- Verify tanks, pipes, valves and hoses are properly installed, inspected, tested and maintained
- Validate high-level alarms are fully functioning

Site Design

Site design is critical to preventing spills.

- Ensure loading and unloading facilities incorporate spill prevention
- Include workplace efficiencies in site design considerations
- Certify equipment specifications meet the system requirements to prevent spills

DECOMMISSIONING & RECLAMATION

We understand that we need to decommission and restore sites once a well has reached its end of life.

Site closure begins by reviewing the site's operational history, identifying and addressing any potential substances, wastes or hazardous materials and improving, and/or reclaiming disturbed land to productive and sustainable uses.

We take a collaborative approach to remediate and reclaim the land to make sure it aligns with landowner and stakeholder expectations for future use. We developed joint venture and direct Indigenous partnerships in our site closures throughout our operating areas.

We follow all regulatory requirements and work hard to make sure we reduce our disturbances in a timely way.

BIODIVERSITY, SITE ASSESSMENT & CONSERVATION



We follow a rigorous site assessment program to help ensure protection for land and water resources, wildlife and habitats during our operational lifecycle. Developed by biology and environmental experts, our process aligns development plans with a thoughtful approach to ecosystem protection.

Identification

During site planning and development, we identify wildlife, habitats and areas with high biodiversity or conservation value.

Assessment

We host assessment sessions with internal experts to evaluate our development plans, determine risk levels and, when needed, recommend mitigation strategies.

Management

Avoidance or mitigation activities are developed and tailored to the environmental factors on each specific site. Our goal is always to avoid impacts, particularly to wildlife, habitats and habitat features such as wetlands and old growth forests.

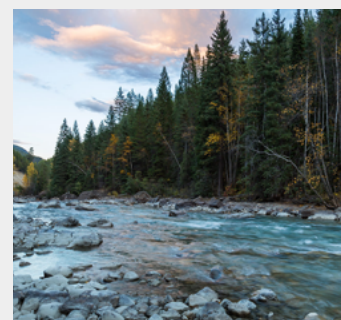
Mitigation

When avoidance is not possible, we minimize our disturbance through site-specific planning. This includes decreasing our activities during certain times of the year or planning activity at a further distance from water sources.

Assessing Biodiversity in our Operations

After an internal biodiversity assessment of our operating areas, we have concluded that we do not have proved or probable reserves in or near the following sites with protected conservation status or endangered species habitat.

- Ramsar Wetlands of International Importance
- UNESCO World Heritage Sites
- Biosphere reserves recognized within the framework of UNESCO's Man and the Biosphere Program
- Natura 2000



WASTE MANAGEMENT

The effective management of our waste materials helps to reduce our environmental impact. We promote the recycling or reusing of materials in our operations.

For those materials that can't be recycled, we have processes for transportation, treatment and disposal in compliance with regulatory requirements. Our service providers must also abide by our standards and comply with all regulations.



Our waste management program includes:

Data collection and reporting

Proper storage, handling and transporting of waste

Tracking for reuse or disposal

Identifying recycling opportunities

Maintaining regulatory requirements

The majority of waste from the oil and gas industry is from drilling residuals and produced water. We also handle sensitive materials that require specialized disposal for the health and safety of our employees, service providers and the community.

NATURALLY OCCURRING RADIOACTIVE MATERIALS

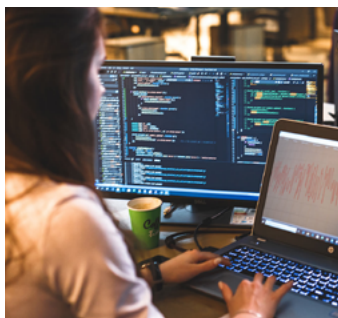
Naturally Occurring Radioactive Materials (NORM) are substances enriched with radioactive elements and most often associated with produced water treatment and handling operations.

Our NORM management process identifies and controls NORM in our facilities to protect the health of our employees and service providers. We have established roles, responsibilities and training requirements related to potential NORM exposures, and only specially-trained employees and service providers are permitted to work with impacted equipment. Any NORM-impacted waste is disposed of in strict compliance with jurisdictional regulations.



INDUCED SEISMICITY

Some areas of North America are experiencing increasing seismicity near certain oil and natural gas operations. Although the occurrence and risk of seismicity is generally very low, Ovintiv has occasionally observed induced seismicity in our operations linked to produced water disposal and hydraulic fracturing operations.



Safety of our operations and the surrounding communities is our top priority. Ovintiv employs a multi-disciplinary team who has developed a robust induced seismicity hazard assessment and risk management framework. This framework has been successful in managing induced seismicity in and around our operating areas in both Canada and the U.S.

Ovintiv also supports research efforts to inform the understanding and management of induced seismicity. We are proactively addressing seismic activity through partnerships with independent research institutions and regulatory agencies to minimize any associated or perceived risks.

Ovintiv Induced Seismicity Risk Management Framework

Planning

Identify, assess and plan for geohazards that could increase the risk of seismicity

Mitigation

Based on the identified geohazards, manage and mitigate the associated risk of seismicity

Monitoring

Utilize adequate seismic monitoring to manage atypical seismicity according to area-specific regulatory thresholds (traffic light protocol)

Regulatory Compliance

Adhere to prescribed regulatory requirements associated with produced water disposal and hydraulic fracturing operations



Social

At Ovintiv, we believe we must use our position as a force for good – improving lives and driving progress. With oversight from our Board, we engage with our external stakeholders and workforce to ensure we are both proud of our results and how they are achieved. Our commitment to social responsibility ensures our business practices support the safety, strength, sustainability and quality of life for our stakeholders, including our team and the communities where we operate.

We drive ESG progress by protecting and valuing our workforce, strengthening the communities we call home and respecting the rights of all. Not only are these the right things to do, but they drive better business outcomes. Our aim is to work in partnership to build a sustainable future together. **We are focused on making tomorrow better than today by:**

Respecting our Stakeholders

We respect the rights of all individuals and stakeholders, built on a foundation of honest relationships, open communication and responsible operations

Strengthening our Communities

We engage with and strengthen the communities in which we operate

Respecting our Stakeholders

We are committed to an inclusive culture that embraces diversity of thought, background and experience, which includes both our workplace and supply chain

HIGHLIGHTS

- Made 2021 our safest year ever for the eighth consecutive year
- Safely and effectively managing the COVID-19 pandemic across our workplace
- Established a Social Commitment Leadership Team to focus our social engagement programs and practices
- Provided inclusive leadership training to increase diversity awareness for all our leaders
- Continued to invest in our communities including providing scholarships to students from underrepresented groups who are pursuing careers in our sector

PANDEMIC RESPONSE

The ongoing challenge of COVID-19 continues to test industries and governments across the world.

At Ovintiv, we have the advantage of an enriched safety mindset and a world class safety team that knows how to jump into immediate action. From the onset of this pandemic, we prioritized the physical and mental health of our employees, moving quickly to protect our team while continuing to provide safe, reliable and affordable energy.

We utilized our existing robust business continuity plan to organize a strategic and coordinated effort to protect employee safety and company performance. One of our initial steps was to establish a Pandemic Response Team (PRT) to assess and mitigate employee and contractor risks on a daily basis. This assessment included considering each employee group across our many office locations. Our PRT continues to meet regularly, reviewing our approach to ensure we can do our work safely and in accordance with local regulations and health agency recommendations.

With Board oversight, our team developed risk-informed protocols and procedures that enabled employees to safely continue their work in the field and for low-risk staff to return to our offices. These procedures include physical distancing among team members, enhanced hygiene and cleaning requirements and mandatory face coverings as advised by the Centers for Disease Control and Prevention (CDC). We continue to offer flexibility to those employees and individual circumstances that require remote working.

We also introduced an online screening program to determine if employees had COVID-19 symptoms before entering a field location or corporate office. Screening protocols remain in place to help manage ongoing COVID risk. Should employee screenings show signs or symptoms of the virus, employees are required to stay home and seek advice from medical professionals.

As the virus matures and spreads, we continue to evaluate procedures to ensure their effectiveness and to comply with rapidly evolving legal and regulatory requirements. We also engaged actively with peers from the outset to share knowledge related to pandemic response.

No COVID-19 transmission has occurred within our office or field locations, which all remained open with flexibility for vulnerable employees.

Promoting Vaccinations

Protecting our employees includes encouraging all of our employees to get COVID-19 vaccinations. We hosted vaccine information sessions with our occupational nurse and company doctor; held vaccine clinics for our employees, contractors & their families; and continue to promote vaccinations through internal communication channels as the number one way to keep our people, their families and our workplace safe and healthy.

We remain committed to monitoring the pandemic and its impact on our team's safety, updating our procedures and adopting new technology to protect our employees.



Pandemic Response Team

A successful pandemic response was a priority at every level, starting at the top of our organization. Our executive leadership team met regularly with our PRT to discuss employee safety and business continuity. Our Board was actively engaged with our executives in providing oversight through this unprecedented situation and participated in more than a dozen PRT update calls during 2020, outside of regularly-scheduled Board meetings.

Multidisciplinary team of experts:

- Medical
- Occupational Health and Safety
- Human Resources
- Legal

Responsibilities:

- Meets regularly (daily during 2020)
- Assesses employee health risk
- Develops safety protocols and procedures
- Ensures compliance
- Reports to the executive leadership team and Board

SAFETY

Safety is more than a priority—it's a foundational value and behavioural trait at Ovintiv. In 2021, we delivered the company's safest year for the eighth consecutive year.

We work to improve our safety performance every day—believing that occupational injuries and illnesses are preventable. Ensuring the safety of our staff, suppliers, the public and surrounding communities is one of our company values and a basic tenet of managing our operations. If something can't be done safely, then it shouldn't be done on an Ovintiv site. Each year, the board (led by the EH&S committee and members of the senior operational team) participate in a field tour of our operations to see first-hand advances in safety and emissions improvements.

Industry Leading Safety Culture



We are responsible for creating sites where our employees can perform their work without health hazards. Our occupational health and industrial hygiene initiative is a specialized component of our overall operational management system, focused on eliminating potential health hazards found in the workplace. This initiative predicts and monitors potential workplace chemical exposure, evaluates exposure risk and suggests control of environmental factors that may cause sickness. Through this program, our employees may adopt different procedures or increase their personal protective equipment for their safety when needed.

Incidents associated with the failure of process equipment or mechanical integrity can result in critical impacts to worker safety and the environment. To mitigate these risks, we have implemented a set of comprehensive process safety practices.

Our process safety standard focuses on the appropriate design, construction, operation and maintenance of facilities and equipment to prevent the release of hazardous materials. In addition to maintaining proper containment, we integrate process safety tools and techniques into our management system, continue to enhance our process safety practices and expectations and train our teams on preventing hazard exposure throughout our operational lifecycle.

Each year we set a company goal, tied to compensation, to minimize our process safety event frequency. We reduce our number of process safety events—unexpected releases of hazardous materials or energy—through site assessments, employee training, integrity management programs and data tracking and analysis. In 2020, we improved upon our 2019 performance and beat our process safety reduction target, resulting a process safety frequency rate of 0.01, amongst the best in the industry.

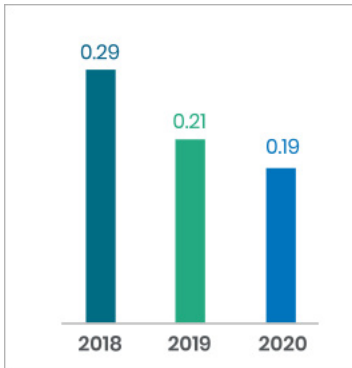
Measuring EH&S Performance

Strong safety and environmental performance reflects the importance of protecting our employees, contractors, suppliers and the communities where we operate. Together, we work towards having every year be our safest year and always look for new and innovative ways to drive ESG progress.

By setting environment, health and safety (EH&S) goals that we all can aspire to achieve—as individuals and within teams— we work toward continuous improvement. These goals are included in our annual compensation plan, which offers a cash award for strong company performance. As we strive to improve upon the prior year's performance, we set progressively more challenging targets each year.

EH&S Scorecard and 2020 Performance

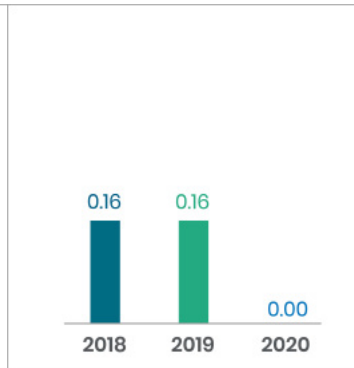
Total Recordable Injury Frequency



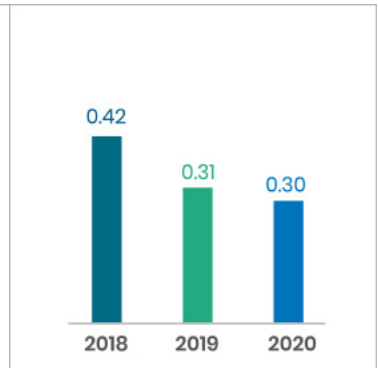
Process Safety Event Frequency



Motor Vehicle Incident Frequency



Total Reportable Spill Frequency



EH&S Strategy and Performance Management

We believe all injuries and incidents can be prevented, which is why we focus every day on making our workplace free of recognized hazards.

Managing EH&S performance includes our commitment to a safety culture, environmental stewardship, protected and secure work sites and reliable regulatory performance. Critical to our success is employee development and integration with our area operating teams.

We support our commitments with programs and policies that set expectations and clearly identify governance. From our Board to employees on the frontlines of our operations, everyone plays an important role in our EH&S performance.

Improvement stems from measuring the effectiveness of our systems and standards. We utilize Ethos—an operations management system—to measure, track and understand our performance.

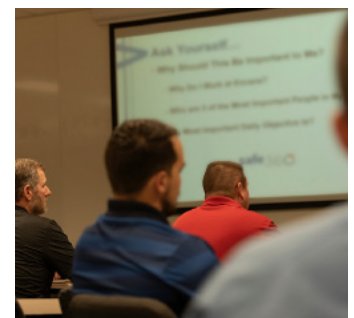
By integrating Ethos standards and practices into our daily activities, we promote an injury-free workplace, minimize our environmental impact and treat our communities with respect.

Employee Training

Since its inception in 2009, more than 3000 employees, contractors and service providers have completed our Safety Essentials for Leaders program.

Setting clear expectations for EH&S performance and educating our employees on potential hazards are key goals for our EH&S training program. Each year our EH&S and operations teams work in partnership to develop individualized training plans so that employees receive EH&S trainings specific to their roles. Through this approach, we offer more than 120 courses to our workforce, guiding our team on the best methods for managing EH&S risks and the procedures they must follow to complete work safely.

We are proud of our Safety Essentials for Leaders program that emphasizes the importance of strong leadership around the protection and safety of our employees.



Empowering Employees (Lifesaving Rules)



Increasing employee safety awareness is only part of the solution for maintaining a safe workplace. Our employees also must feel empowered to make decisions that will protect themselves, their coworkers and the community.

We adopted the International Association of Oil & Gas Producers (IOGP)'s life saving rules to set clear guidelines for making safe decisions in a variety of operational situations.

The underlying foundation of our life saving rules is "stop work," which gives every employee the authority to stop operations if a life saving rule is compromised, if there is a perceived safety threat or if equipment could be damaged. There is no retaliation for exercising Stop Work Authority. In fact, if an employee observes an unsafe situation, he or she has full responsibility to stop operations and prevent the incident.

Life Saving Rules

- **Bypassing Safety Controls:** Obtain authorization before overriding or disabling safety controls
- **Confined Space:** Obtain authorization before entering a confined space
- **Driving:** Follow safe driving rules
- **Hot Work:** Control flammables and ignition sources
- **Safe Mechanical Lifting:** Plan lifting operations and control the area
- **Fit for Duty:** Be in a state to perform work safely
- **Working at Heights:** Protect yourself against a fall when working at heights
- **Work Authorization:** Work with a valid permit when required
- **Energy Isolation:** Verify isolation and zero energy before work begins
- **Line of Fire:** Keep yourself and others out of the line of fire

How Ethos Works

Ethos is a documented set of standards that outline how we work. Within each of Ethos' 12 standards are practices that define roles and responsibilities, performance measurements and necessary training for employees and service providers. Certain practices may require operating procedures which are often area or site specific.

Through Ethos, we use a plan-do-check-act methodology that guides employees to consistent results. Both the standards and methodology are used at every level of our organization to consistently manage operational, health, safety and environmental risks. Ethos also acts as an accountability tool—measuring and tracking our EH&S performance, including the metrics used for our compensation program.

Expectations and Practices

- Companywide policies and metrics
- Ethos management system and audit
- Standards, practices and team training program
- Operational implementation of EH&S practices
- Day-to-day field procedures
- Individual knowledge of and active engagement with EH&S programs and procedures

Governed by

- Board and executive leadership team
- Operational EH&S team
- Operating area leadership
- Corporate and field employees

Learning from Incidents

If an incident occurs, we report and efficiently and effectively correct the situation. We use an incident management system to capture data including injuries and illness, motor vehicle incidents, spills and near misses—helping us to gain knowledge from these events. This data is analyzed by our Operations teams to identify root cause analysis and communicate risks and best practices. We also utilize this system to manage EH&S audits and inspections.

Driver Safety

Motor vehicle incidents are the leading cause of injury and death in the oil and natural gas industry. Our comprehensive driver safety program includes training, tools and standards to encourage a culture of zero motor vehicle incidents.

We require both driver awareness and hands-on driver training for all company fleet drivers and have established safe driving practices, including prohibiting the use of cell phones while driving. Additionally, we assign an in-vehicle monitoring system to all Ovintiv fleet vehicles. These devices provide data on driver behavior, including the frequency of hard braking, rapid acceleration and speed.

This data is gathered for risk analysis and to monitor our employees' driving performance. If an employee shows consistent unsafe driving practices, he or she may have to participate in additional training or use additional tools to improve performance.



Driver Safety Program

- Driving Distraction
- Safe Vehicle Operations
- In-Vehicle Monitoring System
- Drive Safe Team
- Driving Safety Training
- Fleet Management
- Commercial Motor Vehicle Regulatory Compliance Requirements
- Motor Vehicle Incident Reporting
- Driver Fitness & Alertness
- Road Journey Management
- Driver Qualification & Authorization
- Driver Commitment

Employee Health

Ovintiv applies fitness for work—a practice that requires employees be in a condition to carry out their day-to-day job duties safely and effectively without putting themselves, their coworkers, the public or the environment at risk. We consider employees unfit for work if injury, illness, physical or psychological health issues, fatigue or the use of alcohol or drugs could result in the reduced ability to perform work safely or effectively.

To encourage employee health, we offer competitive medical and dental benefits, as well as wellness programs to support mental health. We also provide an ergonomics program to reduce physical discomfort and strain while on the job. The use of ergonomics can proactively identify existing problems and prevent injuries in the workplace. Ergonomic resources such as assessments, stretches based on job function, and guidelines for setting up workstations, help properly adjust our bodies and equipment for comfort and safety.

Employee Wellbeing Program

We are committed to supporting the wellbeing of our employees across four elements:

Physical – Promoting preventive care with health providers and incentivizing employees to “know their numbers” to control and manage health risks

Emotional – Ensuring access to quality mental and behavioral health resources and care

Social – Enhancing connections among our workforce through resource networks such as our employee networking organization (LINK), giving managers the tools to create an inclusive workplace culture, and promoting volunteer opportunities within our communities

Financial – Providing education and resources for retirement planning and a broad spectrum of other personal financial matters



SUPPLY CHAIN MANAGEMENT



At Ovintiv, we are committed to ensuring our suppliers share our high safety standards. We maintain a Supplier Code of Conduct as well as a Service Provider EH&S Expectations Manual both of which define our operational standards in line with our Business Code of Conduct. Suppliers must maintain integrity, transparency and compliance in all that they do when partnering with Ovintiv.

It is important to us that our suppliers also align with our expectations on important social issues such as human rights and economic inclusion. Utilizing ISNetworld – an online contractor and supplier management platform – we can assess suppliers against our ESG measures.

Partnering with Suppliers

Our safety leadership is of utmost importance to us, so once a supplier has been approved for work, we routinely monitor performance to ensure our high expectations and safety standards are being met. We engage with our suppliers through:

- Annual Service Provider Excellence meetings with over 150 suppliers to discuss EH&S expectations, perform look-backs on incidents, and ask for feedback
- Quarterly EH&S Key Performance Indicator (KPI) reviews to ensure that our suppliers are continuing to meet our EH&S standards with regards to quality, operability and reliability
- Monthly engagement with suppliers to discuss ongoing EH&S efforts
- Routine audits to evaluate our suppliers' process safety practices to make sure they are appropriately managing risks to prevent catastrophic failures
- Pre-Project Orientations to check equipment, brief crews on Ovintiv's Service Provider EH&S Expectations manual and ensure crews have required training

In addition to tracking these assessments to maintain a performance history on our suppliers, we use ISNetworld® to further evaluate supplier safety programs and performance. ISNetworld provides Ovintiv the ability to verify that our suppliers have acknowledged and adopted the required EH&S procedures prior to starting work.

Partnering to Fight Human Trafficking

Ovintiv is a sponsor for Truckers Against Trafficking (TAT), an organization that works to disrupt human trafficking networks by asking truck drivers to look for and report signs of human trafficking. Truckers are the eyes and ears of our nation, driving on highways that often act as transportation paths for traffickers.

With operations across North America, we are in a unique position to positively drive change. Our relationships with our suppliers provide us with a platform to raise awareness about this issue and encourage our partners to support TAT's efforts to combat human trafficking.



ENHANCING OUR SOCIAL COMMITMENT

In late 2020, Ovintiv launched a social commitment leadership team, comprised of senior leaders from across the company.

Over a period of several months, this cross-functional team gathered input from internal and external subject matter experts, representatives from our communities and trade organizations as well as our executive leadership team to focus, strengthen and drive our social engagement programs and practices. The resulting framework aligns with our values, strategy, purpose and culture and identifies the focus areas and core actions that define our social commitment.

Our approach has been to focus first on data gathering and listening and then to build and launch action plans and programs that align with our framework and are meaningful to our stakeholders including employees and communities, among others. We are also actively seeking out opportunities to partner with trades and peer organizations to advance our shared social goals.



INDIGENOUS RELATIONS

We recognize the unique rights of Indigenous Peoples consistent with the principles set out in the UN Declaration on the Rights of Indigenous Peoples.



We actively work to address concerns and any potential operational impacts on their rights. Our Indigenous Relations Guidelines outline Ovintiv's commitment to working with Indigenous communities on economic development and community investment focused on wellness, education, and cultural preservation.

We foster relationships with American Indian Tribes and First Nations in the areas we operate by partnering with local organizations, engaging leaders and participating in community programs. Listening and learning are essential to being a good partner, which is why we also provide cultural awareness training to employees. In Canada, we are committed to doing our part toward reconciliation with Indigenous Peoples as outlined in the Truth and Reconciliation Commission of Canada (TRC) recommendations.

We support Indigenous inclusion through employment and procurement strategies, opportunities for training and capacity building. We also work closely with Indigenous and Tribal leaders to identify programs that strengthen the communities where we work. Supporting education is a cornerstone of our strategy that provides long-term benefits for the community. Ovintiv is proud to continue providing bursaries as well as books and supplies for Indigenous students enrolled in post-secondary education in Canada and the US as well as mentoring and tutoring programs for Indigenous high school students. During the pandemic, Ovintiv made investments in Indigenous communities for medical supplies, emergency medical capacity and activities that were safe for students.

Investing in the Clear Hills Youth Treatment Centre

Ovintiv was the first oil and gas company to invest in the development of the Clear Hills Youth Treatment Centre on the Horse Lake First Nation. This facility will be a stand-alone, independent Indigenous organization that provides land-based treatment services for youth in Alberta and across Canada. Partnering on this important project supports healing in cultural and traditional knowledge in addition to strengthening the community.



COMMUNITY ENGAGEMENT

We understand the necessity of having strong relationships with the communities where we operate. We have dedicated local team members engaging directly with residents, governments and other stakeholders to answer questions and discuss our operational processes and plans. They are focused on listening and responding to community concerns.



We are committed to reducing the impacts of our operations through education, innovation and taking action when needed. Across our operating areas, employees and suppliers work under our Courtesy Matters® program that focuses on courteous and respectful behavior throughout all stages of our operations. This includes responding to community concerns regarding noise, light, traffic and dust in a prompt and respectful manner. Neighbors or community members can report any concerns through a dedicated email address or phone number.

Early Engagement and Noise Mitigation

We have taken great care to proactively engage with communities in advance of new activity, particularly when our sites are in close proximity to residents. For example, in Oklahoma, this included re-occupying an existing location that now has a subdivision in close proximity to the original wells. In advance of activity, we engaged the city government and the local chamber of commerce to inform them of our development plans and sent notifications to impacted residents within one quarter of a mile of the location, including contact details for any questions or concerns. When dialogue with residents surfaced concerns over noise levels, our team rapidly responded by installing permanent sound walls around the compressors. We also proactively engaged multiple internal teams to develop a risk mitigation strategy for sound issues determining that the best course of action was temporary sound walls during drilling and completions as well as for the first 30 days of production.

Minimized Site Lighting

In response to concerns raised by our neighbors, we have invested considerable resources to minimize our site lighting disturbance in Canadian operating areas, with the goal of keeping the illumination within leased boundaries. On permanent facilities, we continue to explore ways to reduce lighting impacts on-site, starting with facility design. For our temporary sites, we are working to use fewer generator and light tower combinations which helps to reduce the cumulative light impact and noise. Addressing lighting concerns must never outweigh the safety and security of our employees so solutions are assessed carefully on a site-by-site basis.

Reduced Trucking

Pipeline transport allows liquid or natural gas to flow through underground pipes instead of being trucked to different destinations. By reducing our truck traffic, we also decrease our potential for spills, tailpipe emissions, driving accidents, traffic congestion, dust and noise on area rural roads.

COMMUNITY INVESTMENT

We recognize that our role begins in the communities where we operate. We are committed to being a force for good – maximizing our investments to create social value, fostering trusted relations and helping sustain healthy and vibrant communities.

Through our Community Investment program, we contribute to charitable organizations and initiatives that strengthen our operating communities and reflect our social commitment. In addition, we have a corporate matching program, Ovintiv Gives, which raised \$2.1M in 2020, which was donated to charities across North America, having far reaching impact in the communities where we operate.



Funding Process

Requests for funding are accepted year-round through our online application system. Ovintiv awards contributions in communities where we have active operations.

Guidelines and Eligibility

An organization must be a non-profit or 501c3 organization, located in or serving a community where we have established offices or operations.

The organization should be a registered charity eligible to issue official tax receipts for donations, or an established non-profit or 501c3 community organization.

Limitations and Exclusions

Our Community Investment donation guidelines prohibit us giving to:

- Individuals
- Religious organizations (except non-faith-based associations)
- Third-party fundraisers
- Professional conventions, conferences or seminars or galas—unless industry related
- Travel for individuals or groups
- Programs located outside of the regions or communities where Ovintiv operates
- Political events

How to Submit a Request

We accept funding requests only through our online application process. Upon submitting your application, you will receive an email confirmation. Proposals are reviewed on an ongoing basis and it can take up to six weeks for review of your application.

Use the [online application](#) to apply today.

Apply Today

Ovintiv Gives

At Ovintiv, we believe there is a human connection between the energy we produce and the energy of our people. Through Ovintiv Gives, our workplace giving program, we match employee charitable contributions dollar-for-dollar up to \$10,000 per employee per year. In 2020, with the corporate match, our employees donated \$2.1M in charitable contributions to charities across North America having far reaching impact in the communities where we live and work.



Impact Stories

COVID-19 Response

COVID-19 has had a devastating effect on our communities, so we stepped in to support our neighbors. Ovintiv provided emergency funding for food relief programs to help local charities and Indigenous communities respond to urgent needs during the pandemic. Ovintiv's emergency funds supported 39 community organizations across our key operating areas, focused on providing food relief to those impacted by economic hardship.

"The community of Wembley would like to extend a huge thank you to Ovintiv for their generous contribution to our garden program. During these uncertain times, we believe that it is important to keep our community engaged, active and learning new skills. Thanks to Ovintiv support we are now able to provide an opportunity for our community members to enjoy the healthy benefits of growing their own food."

— Anna Underwood, Wembley Healthy Communities Initiative

"The COVID-19 pandemic has significantly increased hunger and food insecurity among children. With support from Ovintiv, the Regional Food Bank of Oklahoma transitioned all our Food for Kids Programs to continue safely providing food. To date, more than 5,124 emergency food boxes have been distributed to middle and high school students attending virtual classes across 10 different school districts. Fifty-seven temporary feeding sites opened to provide meals to children of first responders whose daycare closed or school transitioned to virtual learning. And existing child-congregate feeding sites modified operations to provide 429,558 grab-and-go meals and snacks, reflecting a year-over-year increase of 59,000 meals. The Regional Food Bank's partnership with Ovintiv and other community partners has allowed us to continue our operations and modify and expand them significantly. We are extremely grateful for their teamwork."

— Jennifer Eckert, Food Bank of Oklahoma's Director of Development

Community Events

Bakken Rocks CookFest

The Bakken Rocks CookFest offers North Dakotans the opportunity to get out and learn more about the oil and gas industry, hear from industry experts, meet the employees of companies working in the area, and best of all, eat some of the best BBQ in the state. With games and activities for kids, swag giveaways and live music, this free event is fun for the whole family.

Our Bakken staff volunteered their time in the STEM kids' learning area as well as at the fishing derby. At the event finale, North Dakota Petroleum Council President, Ron Ness, awarded Kriss Hollis' grandson Brayden with an award as Ovintiv's youngest and hardest working volunteer.



West Texas Food Bank Volunteer event

We had a great turnout for our first Permian volunteer event of 2021. Twenty two employees packed 21,600 pounds of food which filled 900 supplemental food boxes for the Ovintiv sponsored Senior Food Box Program. Thanks to this program, 2,000 low-income seniors will receive monthly supplemental food boxes from the West Texas Food Bank.



Dawson Creek Exhibition Stakeholder BBQ

After COVID cancelled last year's event, it was time to dust off the boots, grab a hat and saddle up for the 99th annual Dawson Creek Exhibition in northeast British Columbia. As in past years, Ovintiv sponsored the annual stakeholder BBQ event at the chuckwagon races.

The event was organized and hosted by Surface Land, Community Relations and Canadian Operations. The local Junior Volleyball Club assisted our staff with the event and Step Up & Ride helped ensure people got home safely at the end of the night. Including staff, approximately 150 people attended, with representation from the local First Nations, landowners, government, regulators and first responders.



After all the community support, including Ovintiv's corporate match, \$6,870 and over 500 lbs. of food were donated to local food banks through the Race Against Hunger event.

Permian Strategic Partnership

We are a member of the Permian Strategic Partnership (PSP), a coalition of energy companies and regional leaders who have come together to strengthen and improve the quality of life for Permian Basin residents. In just two and half years, the PSP has raised \$48.5 million, which has been directly invested in Permian Basin projects that support great schools, safe roads, quality healthcare, affordable housing and a trained workforce. Some key investments include:

- Providing funding to help bring IDEA Public Schools to Midland and Odessa
- Funding additional training and certification for teachers
- Providing equipment to local first responders
- Funding the expansion of the Texas Tech University Family and Community Medicine Rural Residency program as well as supporting the expansion of the Masters of Physician Assistant Studies program
- Undertaking a detailed review of workforce needs vs available training to identify gaps





CAREERS AND EMPLOYEE DEVELOPMENT

Our success is a direct result of the talent of our team and our ability to work together to achieve company goals. We work hard to put our best ideas into action—making energy development more advanced, efficient and safer than ever before.

Workforce

Every person on our team is expected to share ideas and make a meaningful contribution to our company's success. Our workforce is the reason we've built a reputation for delivering industry-changing advancements, technologies and results. We have a history of hiring proven industry leaders and are committed to retaining our hardworking and dedicated people. We seek talent from both within and outside of our industry, recruiting prospective employees who will excel in our unique culture. For example, approximately 33% of our engineers were recruited through our college intern and new graduate program.



Compensation and Benefits

Our compensation philosophy is anchored by two key objectives: delivering market-competitive pay and benefits and rewarding short- and long-term performance. Our compensation program is designed to attract and retain the talent necessary to achieve our business strategy by rewarding individual and company performance. All employees can earn a discretionary bonus based on company performance as measured by our corporate scorecards.

The average tenure of our employees is more than 8 years and our voluntary turnover rate was 3.7% in 2020.

Key Employee Benefits

- Competitive medical and dental benefits, plus additional insurance coverage
- Long-term incentive program
- Annual allowance
- Employee and family assistance program
- Company-funded pension plan — company contribution is 8% of base salary
- Investment plan (Canada) or 401(k) plan (U.S.) — company match is up to 5% of employee contribution
- Financial education tools and assistance
- Employee charitable donation match
- Post-retirement benefits
- Market-leading family practice that includes 16 weeks paid leave for primary caregivers and 10 business days of paid parental time off for secondary caregivers

Fostering Internal Collaboration

Our culture promotes collaboration as a way for employees to network, grow, drive innovations and improve outcomes. We encourage cross-functional sharing by providing communications tools, processes and events for connection.

Ovintiv's internal collaboration forum, the Shale Technology Exchange, brings together technical staff to present, debate and share ideas and solutions that drive our operations forward. The forum, which includes presentations and technical talks from members of Team Ovintiv, enables employees to build relationships, share ideas and drive enhancements in well results and costs.

We offer LINK, an inclusive network that invites all employees to come together as equals and share their diverse thoughts, perspectives and approaches. Sponsored by executive leadership, LINK follows through on its name—leveraging inclusion, networking and knowledge—by providing employees with an opportunity to connect with peers to problem solve, innovate and overcome challenges with confidentiality and trust. This connection encourages connections across our organization, provides information/awareness on inclusion initiatives and advances employee development.

Mentoring Circles is our informal peer-to-peer mentoring program. Through this initiative, we match coworkers interested in connecting and collaborating as a way to grow personally and professionally. In 2020, 230 employees participated in Mentoring Circles.

During the pandemic, we took a creative approach to introducing employees to different teams across our company. Through online "open houses" employees could visit different virtual rooms representing different departments including Strategy, Finance and Sustainability among others. During these "visits", employees learned from their peers about different projects and priorities underway across the company.



Random Coffee Program

Helping employees stay connected and engaged has been a priority for Ovintiv through the COVID-19 pandemic. In order to continue to promote internal collaboration and support the social wellbeing and mental health of our staff, LINK sponsored a Random Coffee program. It is an innovative virtual networking concept that matches interested employees with a new colleague every two weeks for an informal online conversation. This enables our staff to create and maintain new social contacts by engaging with different colleagues in other departments and operating areas, facilitating informal networking, information sharing and integration across the company.

Employee Learning and Development

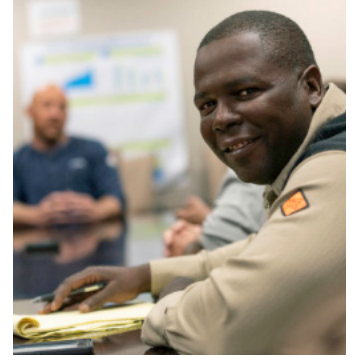
Recruiting, developing and retaining our workforce is vital to our success today and in the future. We believe in providing opportunities for our employees to grow with us, including professional development and training programs.

Employee growth at Ovintiv is more comparable to a lattice than a ladder. That means our employees can grow vertically, horizontally or diagonally—complementing our agile culture and the evolving demands of our business.

Employee development is reflective of our business strategies, as well as our culture and values. While technical capabilities are role specific, business and leadership skills span the organization.

We support the development of these skills through on-the-job work experience, networking, mentoring and collaboration and formal training. We encourage our employees to take an active role in their professional development as outlined in our framework.

We employ a learning management system, Workday, to offer training content through a single, easy-to-use platform. Within this system we host more than 130 courses, both computer-based and instructor-led options. To date, our employees have completed more than 10,000 courses since the program's inception in 2019. This system supports both our EH&S training and our professional development opportunities.



DIVERSITY, EQUITY & INCLUSION

Creating a culture of inclusion is consistent with our long-standing foundational values, but we have work to do to make sure that everyone has an equal opportunity for success at Ovintiv.

Diversity, Equity & Inclusion Guiding Principles



We engage in this work not only because it leads to better business outcomes, but most importantly because it is **the right thing to do**.



Above all, we believe **listening and learning** is the priority. We will take our time to get it right and be **authentic** along the way.



Ovintiv's **values and leadership capabilities** underpin our commitment to an inclusive workplace.

We want to create an industry and a company where everyone is welcome and no one is left behind. Our commitment to an inclusive culture that embraces diversity of thought, background and experience was reinforced by our Board and executive team through our renewed social commitment framework.

Now is the time to build the talent pipeline for the energy workforce of the future. We see opportunity to broaden the diversity of our talent pipeline and by participating in programs targeting diverse students in junior and high schools, we continue to advance and strengthen our workforce. While focusing on increasing diversity in our talent pipeline, we also need to underpin that with providing an inclusive workplace where all talent can thrive.

Recognizing that this work can't be done in isolation, we have assembled an internal diversity, equity & inclusion working group accountable to our executive team and made up of a broad representation of our workforce. The mandate of the group is to provide a sounding board for initiatives and communication, act as an incubator of ideas and leverage their networks to test and validate related activities.

Our actions and go forward plans are centered around education and awareness for our staff as well as listening and learning. As part of this process, we have undertaken an employee pulse check to help us get a better sense of how we collectively view inclusion at Ovintiv. We are also kicking off our employee "Listening and Learning Sessions", which are facilitated small group discussions that employees can participate in to share their experience at Ovintiv. In addition, all employees have been trained on types of unconscious bias and how they show up in the workplace. We provided formal

training and resources to leaders of all levels on inclusive leadership and interrupting bias.

To better understand representation within our own workforce, we collected ethnicity data from our employees. It has told us that perhaps one of our biggest opportunities is to increase both gender balance and ethnic diversity within field-based roles. Through surveys and interviews, our female field employees shared their perspective on workplace inclusion and attracting others to similar roles.

Our commitment to building a culture of inclusion at Ovintiv has been backstopped by concrete and deliberate actions. We formed an employee resource group, LINK (leveraging inclusion, networking and knowledge) to help provide opportunities for all employees to engage, collaborate, learn and grow, in addition to fostering an environment where diverse perspectives are celebrated. Our efforts in this area continue to grow and to date have included initiatives such as building inclusivity awareness by highlighting key diversity days/months; working with several key experts, including Dr. Stefanie Johnson, who participated in an online event to discuss inclusion with our employees; facilitating a leadership panel to discuss the concept of bringing your whole self to work as well as sponsoring a #MyWholeSelfie online campaign.

Looking forward, we have plans to continue to listen and learn from experts, thought leaders, peers and most importantly – our employees through partnerships, alliances, surveys and facilitated discussions.

HUMAN RIGHTS

We recognize the fundamental importance of human rights and the need for all of us to ensure these rights are upheld. Our respect for human rights is embodied in the way we operate and conduct ourselves—guided by our foundational values of Safety, Integrity, Respect, Trust and Sustainability.



As our governments continue their work to protect human rights locally and globally, we are doing our part to advance human rights. Respect for human rights is defined in our Human Rights Policy and further reflected in our Business Code of Conduct and Supplier Code of Conduct as well as in how we interact with each other and our stakeholders. Our codes and policies apply to all employees, contractors, service providers and suppliers.

Our Human Rights Policy provides a method for anyone to report concerns or complaints through an anonymous, third-party Integrity Hotline.

If issues are identified, Ovintiv will investigate, address and respond to these concerns. Human rights violations are serious offenses that may result in termination, penalties or other legal remedies.

Ovintiv's commitment to human rights is guided by international and national standards, including:

- UN Guiding Principles on Business and Human Rights
- UN Universal Declaration of Human Rights
- UN's recognition that access to water is a human right
- International Labor Organization's Declaration of Fundamental Principles and Rights at Work
- Organization for Economic Development Guidelines for Multinational Enterprises
- All applicable federal, state and provincial laws and regulations

Human Rights Commitments

As defined in our Human Rights Policy, our commitment to human rights means that we:

- Prohibit all forms of slavery, compulsory and forced labor, human trafficking and child labor
- Ensure that anyone working on our sites is legally authorized to do so
- Understand the important role our industry can play in identifying and preventing human trafficking through increased employee awareness while working with our suppliers to engage in programs to prevent human trafficking
- Promote a respectful workplace and do not tolerate any workplace harassment, including sexual harassment or bullying. Protect and promote women's rights and gender equality
- Do not tolerate any threats or acts of violence toward any of our employees or contractors at any of our locations
- Prohibit discrimination or harassment based on race, color, religion, national or ethnic origin, sex, parenthood, sexual orientation, gender identity or expression, age, disability, veteran status or other ground protected by law
- Comply with all applicable laws and regulations on freedom of association and collective bargaining. We recognize our employees' rights to join organizations for the purposes of engaging in collective bargaining
- Respect an individual's right to privacy and commit to ensuring compliance with all applicable privacy and data security laws
- Will not be complicit in human rights abuses or violations of human rights laws
- Will conduct a risk assessment for human rights related issues and take steps to mitigate when we enter a new operating area



Governance

Corporate governance is critical to conducting our business with the highest ethical standards. We prioritize stakeholder interests by maintaining transparency and integrity, proactively managing risk and ensuring compliance in every aspect of our operations. We have also woven our commitment to sustainability into our foundational values and have made driving ESG progress a key pillar in our business strategy.

Strong, diverse and engaged leadership guide Ovintiv's performance with forward-looking vision. Our Board committee mandates assign strategic oversight of ESG factors and encourage purposeful decision-making and participation. Our employee compensation program is tied to ESG-related targets to further promote accountability across all levels of our organization.

HIGHLIGHTS

- Deepened Board engagement with Permian field tour that focused on emission reduction technology used in our operations
- Broadened our Board diversity, adding three new directors
- Refreshed Board Committee mandates, including appointing three new committee chairs
- Ensured alignment to our ESG objectives by tying our methane reduction target to compensation
- Continued to take a leadership role in our trade organizations to advance ongoing initiatives to develop common industry ESG metrics and reporting standards

GOVERNANCE STRUCTURE

Ovintiv leadership executes our rigorous corporate governance structure, upholding our values of trust, integrity, respect, sustainability and safety. Our Board oversees the management of our business, helping to ensure appropriate governance and internal controls are in place for ethical corporate conduct.

Our executive leadership shapes Ovintiv's strategy, culture and values and reports to our Board. Through effective leadership, our CEO and executive vice presidents set clear expectations for operational conduct, determine annual corporate goals, drive innovation and guide our company culture. They have oversight of the teams that implement our ESG policies and programs.

Best Practices

Our governance practices are reviewed and refreshed regularly to ensure ongoing transparency and accountability with our stakeholders.

- Declassified Board with all directors elected annually
- Independent Board chair
- Committee chairs and committee members are all independent
- Majority voting for directors in uncontested elections
- Executive sessions held by independent directors at regular Board and committee meetings
- Continuous Board education via regular engagement with experts on emerging technologies and trends
- Direct engagement with investors including off-cycle and in season discussions between independent directors and shareholders
- Annual evaluation of Board, committee and director performance
- Individual director election (no slate voting)
- No dual-class shares
- Executive incentive compensation clawback policy
- Business Code of Conduct and comprehensive ethics and compliance program
- Stock ownership guidelines for executives and directors
- No interlocking directorships with other reporting issuers
- Prohibition on hedging or pledging
- Rooney Rule for director search process (ensures inclusion of candidates of gender and racial/ethnic diversity)

BOARD OF DIRECTORS

Our directors apply their significant business experience and judgment to make decisions in the best interest of Ovintiv stakeholders. We maintain a balanced, diverse Board committed to Ovintiv's sustainable future. When identifying Board candidates, we consider skills, experience and diversity of thought so that many perspectives are represented in decision making.

Ovintiv's Board does not have term limits or a mandatory retirement age, but our Corporate Responsibility and Governance (CRG) committee reviews all directors annually before deciding on candidate reelection. We believe our strong corporate governance practices, including annual Board evaluations, create an engaged and dynamic Board.

Our bylaws mandate the separation of the roles of CEO and Board chair. The Board appoints its chair, who must be independent, based on the recommendation of the CRG committee. The Board chair is responsible for the effective functioning of the Board as a whole and serves as the primary liaison between the independent directors and the CEO. In addition, the chair serves as a non-voting member of all Board committees.

Board Committees

The Board is committed to ensuring a strong foundation for meaningful engagement on ESG-related risks. The Board works through its committees to bring additional attention and strategic oversight to key issues. In early 2020, the Board realigned its committee composition to more clearly reflect its focus on each element of ESG.

Essential to the success of the overall governance of Ovintiv are strong mandates that outline the specific responsibilities of the Board, the Board chair and each of the Board's five standing committees.

- Audit
- Corporate Responsibility and Governance (CRG)
- Environment, Health and Safety (EH&S)
- Human Resources and Compensation (HRC)
- Reserves

ESG Oversight

The **CRG committee** is actively helping the Board refine and enhance its ESG governance framework. One of its key objectives is to ensure an integrated approach among the committees to support the full Board on ESG matters. It is responsible for ensuring the company's continuing commitment to good business conduct, including ESG issues and ethics.

The **EH&S committee targets** its oversight on occupational health, safety, environment and security of personnel and physical assets. It has overall responsibility to review and report to the Board on climate-related issues and information, such as greenhouse gas (GHG) emissions.

The **HRC committee's mandate** now expressly includes strategic oversight of social issues including diversity, equity and inclusion. It also oversees the company's compensation program, monitoring for alignment with our strategic and business objectives, shareholder interests and compensation governance developments. This committee is responsible for incorporating emissions-related targets tied to employee compensation.

Board Skills & Expertise

	Dea	Mayson	McIntire	Nance	Pita	Shaw						
												
												
Skills & Expertise		Gentle	McCracken	Minyard	Nimocks	Ricks						Waterman
Accounting and Finance		■			■	■		■	■		■	■
Environment, Sustainability & Safety	■	■	■	■	■	■		■				
Financial Reporting		■				■		■				■
Governance / Public Company Board Experience	■	■	■		■	■		■		■		■
Human Capital Management	■	■		■	■	■		■		■		■
Industry	■	■	■	■	■	■						■
Public Policy & Government Relations	■	■	■	■	■							■
Reserves	■	■	■	■	■	■		■				
Risk Management	■	■	■	■	■	■		■	■	■		■
Technology & Innovation	■		■	■	■							

Committee Responsibilities

Ovintiv's Board committees play a key role in risk oversight, including the regular monitoring of risk management programs, control processes and cybersecurity protocols. Each committee manages the issues under its purview, reporting regularly to the Board-at-large. Committee responsibilities include:

- Reviewing policies and practices relevant to assigned risk management areas
- Working closely with management to ensure key controls and processes are in place
- Engaging directly with external stakeholders on topics relevant to ESG-related issues
- Making recommendations to the Board about matters specific to the committee

PAY-FOR-PERFORMANCE COMPENSATION

Our executive compensation program aligns pay with performance. Our compensation philosophy provides for a competitive base salary to attract strong talent, an annual bonus to align and motivate all employees around near-term company targets plus a long-term incentive plan that focuses executive management on strategic multi-year delivery and long-term value creation through share-based rewards.

Our annual bonus metrics are rigorously vetted and reflect the building blocks which support long-term value creation. We incorporate ESG metrics into our corporate score card as ESG is one of the board's highest priorities. Strong safety and environmental performance is critical to maintaining a well-managed company. From our ongoing dialog with investors and other stakeholders, we know they share the importance we place on this topic.

We continue to drive ESG progress and have committed to reduce methane intensity by 33% by 2025, tied to Ovintiv's annual incentive compensation program for all employees beginning in 2021. Due to the strength of our team and their commitment to innovation and continuous improvement, we are on track to meet that target four years ahead of schedule.

The longterm incentive awards tie to both total shareholder return and specific strategic milestones over a longer horizon. Executive compensation is substantially "at risk" plus the Board retains discretion to ensure our pay programs produce outputs that align closely with changes in shareholder value.

The HRC committee believes that direct feedback from shareholders is an important part of the compensation setting process. We regularly solicit feedback from shareholders as well as input from independent compensation advisors to maintain a competitive executive compensation program that attracts and retains top talent and encourages sustainable performance.

Our compensation continues to evolve and the Board remains attuned to shareholder feedback, changing shareholder expectations, and evolving market standards. Reflecting that feedback, the HRC Committee made a number of changes to the compensation program for 2020-2021.

2020 and 2021 Compensation Program Changes

The HRC Committee approved the following changes to our compensation program to strengthen the alignment of executive compensation with company performance and shareholder experience and expectations. These changes are a result of Board engagement with shareholders and reflect the Board's compensation consultant's review of pay practices and programs in a broad range of industries.

Annual Bonus Changes

- As of 2020, 100% of annual Non-Executive Officers (NEO) bonus payouts are based on the Company Score and EH&S Scorecard Modifier. The Board may adjust that score, up or down, to reflect each NEO's individual performance and to account for major industry dislocations. For the bonus paid in 2020, the Board exercised discretion to reduce executive compensation below target
- Emissions metrics will be included in the Company Scorecard tied to compensation for all employees beginning in 2021
- Key financial metrics are prioritized in the 2021 Company Scorecard, which include Debt Reduction, Free Cash Flow, Capital Efficiency and Total Costs. Rigorous 2021 payout curves have been approved, which make target and above target payouts more difficult to obtain
- Reduced EH&S Scorecard Modifier from +/- 20% to +/-10% starting in 2021

Long-Term Incentive Changes

- Reduced the target value of LTIs granted to NEOs by 15% in 2020
- Payout of the Relative Total Shareholder Return ("TSR") component for Performance Share Units (PSU) awards is now capped at 100% when Ovintiv's three-year TSR for the performance period is negative. This cap is applied irrespective of Relative TSR performance
- Ceased issuance of stock options or SARs. 50% of LTI awards granted to NEOs are in the form of RSUs and 50% are in the form of PSUs. PSUs payouts are based 50% on Relative TSR and 50% on strategic financial measures (adopted 2016)
- Following market practice, annual vesting of Restricted Share Units (RSUs) has been introduced. New RSU grants vest annually in equal thirds over a three-year period
- Added both the S&P 400 and XOP indices to our PSU Performance Peer Group, measuring our performance against the general industry and a larger group of E&P peers, starting in 2021
- 2021 PSU metrics will include a Return on Invested Capital measure

CODES OF CONDUCT

We conduct our business with integrity and in compliance with local laws and regulations in the areas where we operate.

We developed both a Business Code of Conduct and Supplier Code of Conduct to define clear expectations for our employees and business partners. The codes outline how we do business and engage with each other and the community. They also affirm our commitment to ethical business practices, sustainable operations and regulatory compliance.

100% of Ovintiv employees signed our Business Code of Conduct in 2020.

We always ...

Pause

Does a situation make you uneasy? Are your instincts telling you something isn't quite right? Pause and consider how to approach the situation before making a decision.

Think

Is the behavior unethical or illegal? Is the approach consistent with our values and culture? Would you be uncomfortable talking about how the situation was handled? What are the consequences?

Act

Speak up! Ask questions and help make the right decision. Talk it through with leadership, human resources, the compliance team or contact our Integrity Hotline.

Our codes apply to Board members, employees, contractors and suppliers, and each of us has a responsibility to know and abide by the defined expectations outlined in these documents. We also expect our leaders to lead by example. A violation of our codes— or related policies and practices—will result in disciplinary action, including termination of employment or contract if appropriate.

As we continue to grow in a complex and ever-changing environment, we all will encounter difficult situations where the path forward may not be as clear. Our codes and related policies help us navigate in the right direction as we make ethical decisions on behalf of our company.

Annually, employees formally commit to follow our code, acknowledging their understanding of and compliance with its key policies. We provide regular in-person code and compliance trainings at all levels of our organization.

Every employee or individual working with us has a duty to report suspected or actual wrongdoing that is illegal or in violation of our code. We have several resources available for guidance or to report a concern—leadership, human resources, our ethics and compliance team or our Integrity Hotline. We do not tolerate any form of retaliation including threats, discrimination or discipline against anyone who reports a concern in good faith or participates in an investigation.

Our Integrity Hotline is managed by an independent third party and allows for anonymous reporting of potential violations. Our ethics and compliance team follows up to conduct investigations for appropriate resolution. Management regularly reports hotline activities and compliance investigations to the Board's CRG committee. Specific concerns are also reported to relevant committees and the full Board is made aware of material items or investigations.

CYBERSECURITY

Cyber threats are ever evolving, becoming more sophisticated in their tactics and techniques.

We recognize the importance of continually improving our protections and effectively managing the risks associated with using digital technology across our business. By implementing cybersecurity standard requirements across our organization, we protect Ovintiv's digital assets from security breaches that could negatively impact our business, reputation, team safety, compliance record or the environment.



POLITICAL ADVOCACY AND INVOLVEMENT

Constructive public policy engagement is important to responsible corporate citizenship. We support trade associations, public policy organizations and academic research initiatives to inform public dialogue on issues impacting Ovintiv and the oil and natural gas industry.



These organizations have multiple functions including direct advocacy, standards development, industry best practices creation and supporting the communities where we operate. They typically represent a diverse membership, both within the oil and natural gas sector and the broader business community. Their policy views, and the views and strategies of their participating organizations, are not monolithic and Ovintiv does not always agree with or support their policy positions.

Trade and Public Policy Organizations Supported in 2020. All organizations received more than US \$25,000

United States

- American Exploration & Production Council
- American Petroleum Institute
- Bipartisan Policy Center
- Denver Metro Chamber of Commerce
- Independent Petroleum Association of America
- IPIECA
- National Association of Manufacturers
- National Petroleum Council
- North Dakota Petroleum Council
- Oklahoma Energy Resources Board
- Permian Basin Petroleum Association
- Permian Strategic Partnership
- Texas Oil & Gas Association
- The Petroleum Alliance of Oklahoma
- U.S. Chamber of Commerce
- Utah Petroleum Association
- Western Energy Alliance
- TIPRO

Canada

- Business Council of Alberta
- Business Council of British Columbia
- Business Council of Canada
- Canadian Association of Petroleum Producers
- Canadian Chamber of Commerce
- Resource Works Society
- Canada West Foundation
- Positive Energy

Ovintiv also engages with elected officials, regulatory agencies, legislative staff and the public to provide perspective on key issues and to advocate for reasonable public policy and regulatory frameworks.

We commit to the highest ethical standards in our advocacy efforts. We follow applicable laws and regulations as defined by jurisdiction and we comply with our Business Code of Conduct and Political Activities Policy. Ovintiv discloses our political contributions and lobbying activities in accordance with local reporting and disclosure regulations.

United States

- U.S. House of Representatives (federal)
- U.S. Senate (federal)
- U.S. Federal Election Commission
- Oklahoma
- Texas
- Utah
- Wyoming

Canada

- Canada (federal)
- Alberta
- British Columbia



Climate & TCFD

Established by the Financial Stability Board, the Task Force on Climate-related Financial Disclosures (TCFD) identifies and suggests voluntary disclosures that help investors, lenders and insurance underwriters to understand material risks.

TCFD structures its recommendations in four categories that represent core elements of how organizations operate: governance, risk management, strategy and metrics and targets.

Ovintiv has been incrementally adopting the TCFD recommendations since 2018. This year we have strengthened our disclosures through enhanced climate policy scenario analysis and a commitment to implement climate-related performance targets tied to our compensation program.

TCFD PROGRESSION

2018

Disclosed how we identify, assess and manage climate-related risks

2019

Communicated additional governance around climate-related risks and opportunities

2020

Enhanced our climate scenario disclosure and potential impacts related to climate risks and opportunities

2021

Committed to publicly disclose and link climate-related performance targets to employee compensation

2022

Committed to establishing a Scope 1&2 GHG intensity target tied to 2022 compensation while continuing to focus on improving our methane intensity

GOVERNANCE

Our corporate governance framework allows us to effectively manage climate-related risks. The Ovintiv Board evaluates sustainability and ESG risks on a quarterly basis. It also annually reviews and adopts the company's strategic plan, which considers risks and opportunities to our business, including all elements of ESG.



While several Board committees manage ESG risks and opportunities, our EH&S committee is responsible for environmental matters, including sustainability strategy and policy, risk identification and management, environmental compliance and climate change. This committee reviews and reports material environmental issues to the overall Board. Our Board is actively involved in company performance goal setting, including evaluating which ESG goals should be tied to our employee compensation program.

RISK MANAGEMENT

We integrate climate-related considerations into key business planning and risk management processes throughout the company.

As outlined in our Corporate Risk Management Policy, our Board is responsible for ensuring an effective risk management process is in place to identify, monitor and manage significant risks to our business and reputation.

Our enterprise risk management process and our ESG materiality assessment help identify and monitor any significant risks. Each quarter, we present risk reports to the Board with corresponding mitigation strategies.



POTENTIAL CLIMATE-RELATED IMPACTS TO OUR BUSINESS

Carbon Tax

Carbon tax currently affects our Canadian operations, and we recognize that carbon taxes may impact our U.S. assets in the future. We account for an escalation of our Canadian carbon tax costs in our planning and budgeting processes. We also run scenarios to determine how a U.S. implementation would impact our cost structures.

Commodity Prices and Capital Management

To better predict the risks associated with future commodity prices, including potential GHG reductions, our scenario planning includes a range of prices representing varying levels of supply and demand of our products. This planning considers how our cost structure and capital efficiency could be impacted by factors such as the oilfield service market, carbon mitigation, new technologies, well design challenges and quality of future inventory.

Operations

Severe weather events including hurricanes, fires and floods can impact our operations. We continue to identify and pilot new technology, equipment and processes to mitigate the physical risks of a changing climate.

OPPORTUNITIES

We believe our corporate strategy and our focus on being a low-cost producer enables us to meet the challenges posed by current and future climate-related risks.

We aim to be the leading North American E&P by generating free cash flow and delivering superior returns both to our shareholders and on the capital we invest in our multi-basin portfolio. By focusing on execution excellence, disciplined capital allocation, commercial acumen and risk management and driving ESG progress, our business can thrive across a variety of scenarios. Our business structure and experience allow us certain opportunities when operating under climate-sensitive scenarios.

Flexibility

Our development portfolio is highly focused on short-cycle opportunities enabling us to maintain operational flexibility at both the asset and portfolio level. This allows for rapid conversion of capital into cash flow, and a high degree of agility in managing risk and responding to opportunities.



Capital Discipline

In an evolving commodities market, we have continued our track record of demonstrating capital discipline while driving efficiency and lowering costs in every part of our business. We will continue to be a leading North American operator by strategically managing our supply chain and utilizing technology and innovation to responsibly develop our assets.



Proven Experience

We have experience operating under carbon tax jurisdictions in Canada. Our corporate culture and structure promote knowledge sharing, and we expect to apply carbon tax learnings to our U.S. assets in the event of carbon tax regulation.



Innovation

Our culture of innovation encourages us to utilize technology and operational efficiencies, particularly to drive free cash flow and emissions reductions. Ovintiv closely follows technology advancements and will continue to deploy equipment proven to be effective in reducing emissions.

STRATEGY

Ovintiv's risk-informed business strategy incorporates key ESG issues that have the potential to affect our performance.

We conduct our strategic planning and scenario analysis on an ongoing basis, considering the impacts of commodities pricing, carbon taxes, regulations and the potential long-term impacts of climate change.

This process incorporates insights from various contributors within the company, as well as external advisors and private commodity market analysis firms. We follow four, interconnected and iterative workflows for our strategic planning.



Ovintiv Strategic Planning Workflow

Macro Review

We conduct a macro analysis of both the business and industry environment focused on key trends, risks and opportunities with potential to impact our corporate strategy.

Strategic Assessment

We incorporate the macro assessment findings in developing a strategic assessment and analysis to test the fitness of the current strategy and discuss potential pathways to deliver value to shareholders over the short and long-term. This assessment is presented to, and discussed with, the executive leadership on at least an annual basis.

Benchmark

Benchmarking is also incorporated in our strategic planning. We benchmark our strategic and competitive positioning against companies both within and outside of the E&P industry. This provides real-time intelligence and enhances our understanding of peer strategies, industry trends and business best practices.

Portfolio Evaluation

We conduct an internal assessment to evaluate the current state of our portfolio while considering potential opportunities to advance or enhance value through technological innovation and efficiencies, reduction of uncertainty and the optimization of resources. During this phase, a suite of individual asset development profiles is constructed or revised to test various scenarios and approaches to optimize long-term value creation.

CLIMATE-FOCUSED SCENARIO ANALYSIS

We consider climate-related risks throughout our corporate strategic planning and scenario analysis process. In conducting our scenario analysis, we utilized internal modeling supported in part by the International Energy Agency's (IEA) World Energy Outlook (WEO) to better understand the future patterns of a changing global energy system.

In its 2020 Outlook, the IEA included three scenarios, each of which contain assumptions regarding future population, economic growth and hydrocarbon supply and demand.

- **Stated Policies Scenario (STEPS):** Reflects the effects of announced policies
- **Sustainable Development Scenario (SDS):** Charts a path fully aligned with the Paris Climate Agreement by holding the rise in global temperatures well below 2°C and pursuing efforts to limit temperatures to 1.5°C
- **Delayed Recovery Scenario:** Considers the potential economic impact of a prolonged pandemic

By using scenarios, we can evaluate a range of potential risks related to commodity pricing and emissions reduction structures. Specific to our portfolio, we test our current assets against potential future outcomes to determine where challenges and opportunities may exist. We also assess portfolio resiliency by comparing our assets' performance under different IEA price forecasts adjusted to the WTI benchmark against publicly available breakeven price assumptions per play. For this analysis, we also incorporate an escalating carbon tax up to \$140/T CO₂e in line with the IEA SDS.

For the purposes of this analysis we have included an Ovintiv 2021-2022 Scenario to demonstrate the current competitiveness of our portfolio compared to IEA forecasted prices. The Ovintiv 2021-2022 Scenario is consistent with our Stay-Flat Scenario, which is non-GAAP, free cash flow positive, including the annual base dividend and holds crude and condensate volumes flat at approximately 200 Mbbls/d at benchmark prices of \$35 per barrel WTI and \$2.75 per MMBtu NYMEX natural gas with a capital investment of approximately \$1.4 to \$1.6 billion.

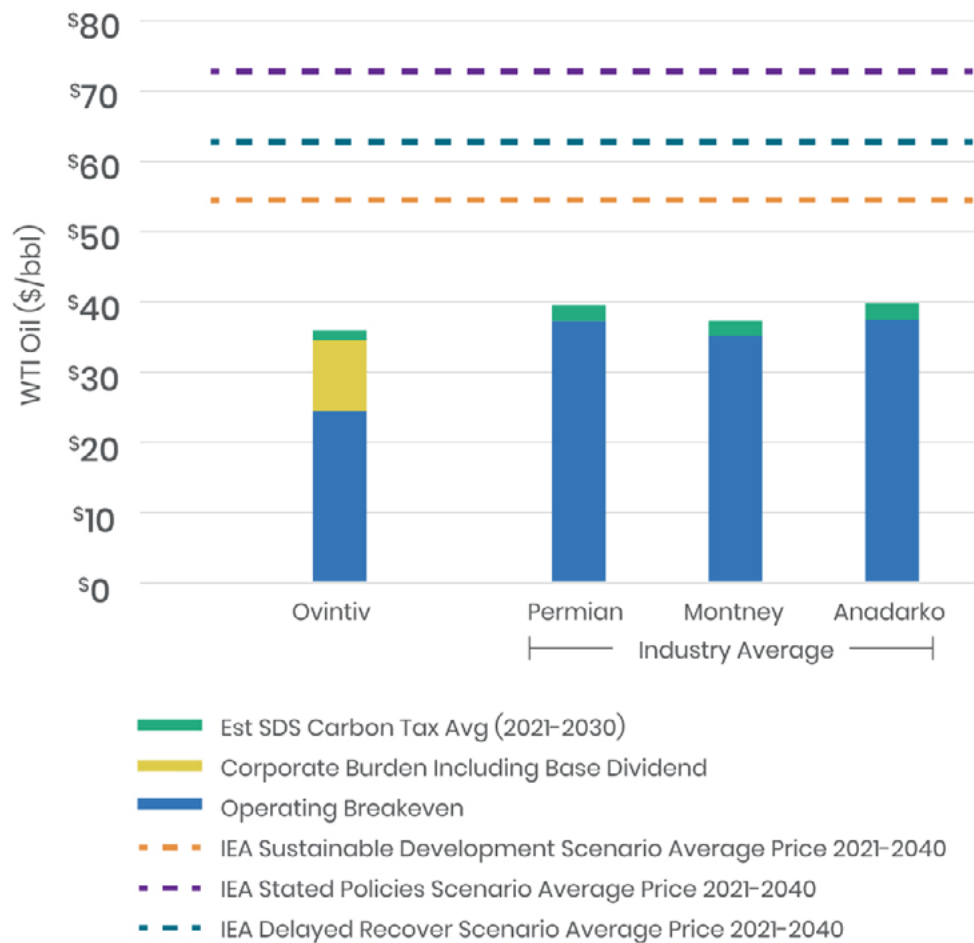
It is important to note that our analysis assumes a consistent break-even price. Ovintiv has a strong track record of knowledge sharing, adopting innovative practice and driving efficiencies through our business. We expect this performance to continue, further decreasing our break-even prices and increasing our portfolio resiliency.

In alignment with the SASB reporting recommendations, we tested our YE2020 reserves against the conditions outlined in the IEA's SDS. Under the associated pricing and escalating carbon tax, the value of Ovintiv's SEC IP reserves would be ~120% higher on a NPV10 basis. The higher commodity pricing associated with the SDS compared to the SEC trailing price forecast used for the YE2020 evaluation accounts for the higher valuation. This is partially offset by the impact of carbon tax escalating over the period.

Third party basin average operating breakeven

Our analysis confirms the resiliency of our portfolio under a range of possible future climate policy scenarios. Under all scenarios, we expect new well development to continue to yield an economic return as breakeven prices remain lower than forecast prices. Even with the implementation of an escalating carbon tax, our low-cost, short-cycle portfolio remains competitive.

Significant Free Cash Flow Potential Across All Scenarios



METRICS AND TARGETS

Climate-related performance metrics have been included in our disclosures since we began sustainability reporting in 2005. Measuring our emissions profile provides visibility into which cost-efficient measures are most effective in reducing GHG emissions. We continue to improve both the reduction of our emissions intensity and the transparency of our reporting.

Our executive leadership team, with the support of our Board, continues to enhance our approach to climate and emissions disclosure. These enhancements include a process to measure near real time emissions and to set further climate-related performance targets, which will be tied to our compensation program.

Target setting to drive performance is part of Ovintiv's culture and we don't take this exercise lightly. Our purposeful climate targets drive meaningful improvements in our emissions performance, are integrated into our business performance management system and are transparent to our staff and external stakeholders alike. The results of this ongoing initiative, including updating our climate-related targets, will be announced in early 2022.



2020 Taskforce on Climate-Related Disclosures Index

TCFD Recommendations Disclosures	Disclosure Description	Report Location
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Board Committees, TCFD / Governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Governance
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Emissions and Climate Change, Operational Innovation, , TCFD / Risk Management
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	TCFD / Risk Management, TCFD / Strategy
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.	TCFD / Strategy
Risk Management Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	ESG Materiality Assessment, Emissions and Climate Change, Climate & TCFD / Risk Management, Climate & TCFD / Strategy
	b) Describe the organization's processes for managing climate-related risks.	Emissions and Climate Change, Operational Innovation, TCFD / Risk Management
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	ESG Materiality Assessment, TCFD / Risk Management and TCFD / Strategy
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Emissions and Climate Change, Operational Innovation, TCFD/Metrics and Targets
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	2020 Performance Data Table
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Emissions and Climate Change, Operational Innovation, TCFD/Metrics and Targets



2020 SUSTAINABILITY PERFORMANCE

Sustainability Performance Metrics Table

At Ovintiv, we recognize the importance of transparency and communicating on our performance. We have a long history of disclosure, having published sustainability metrics since 2005 and are proud of our ongoing achievement in driving down emissions while still maintaining an industry-leading safety record.

[» VIEW PDF](#)

AXPC ESG Performance Metrics

New for 2020, we actively participated in the efforts of AXPC— a national trade association representing the largest independent producers of oil and gas in the U.S.— to develop the AXPC ESG Metrics Framework and Template. This framework is intended to supplement each member company's individual reporting efforts and voluntarily standardize several key upstream environmental and safety metrics. Currently the framework suggests consistent and transparent reporting around five focus areas: GHG emissions, flaring, spills, water use and safety. By creating a common set of metrics, AXPC member companies now have relevant, consistent and comparable data for greater stakeholder transparency.

The data reported under this framework includes our US operations only.

[» VIEW PDF](#)

Sustainability Disclosure Index

We reference the IPIECA Sustainability Reporting Guidance for the Oil and Gas Industry and the SASB Oil and Gas Standard to inform our reporting and continue to advance our climate-related disclosures in our fourth year of reporting in alignment with the Task Force on Climate-Related Financial Disclosures (TCFD)'s framework.

[» VIEW PDF](#)



2020 Performance Data Table

Safety	Formula/Unit	2020	2019	2018
Total recordable incident frequency rate (total workforce) ¹	Events X 200,000 / Total exposure hours	0.19	0.21	0.29
Total recordable incident frequency rate (employees)	Events X 200,000 / Total exposure hours	0.27	0.34	0.26
Total recordable incident frequency rate (contractors)	Events X 200,000 / Total exposure hours	0.18	0.20	0.29
Lost-time injury frequency rate (total workforce)	Events X 200,000 / Total exposure hours	0.03	0.05	0.07
Lost-time injury frequency rate (employees)	Events X 200,000 / Total exposure hours	0.09	0.08	0.10
Lost-time injury frequency rate (contractors)	Events X 200,000 / Total exposure hours	0.03	0.04	0.06
Lost time from incidents	#	7		
Workforce incidents	#	39		
Fatality rate (employees)	Events X 200,000 / Total exposure hours	0	0	0
Fatality rate (contractors)	Events X 200,000 / Total exposure hours	0	0	0
Fatalities (contractors)	#	0		
Fatalities (employees)	#	0		
Motor vehicle incident rate	Events X 1,000,000 / Total miles driven	0	0.16	0.16
EH&S training rate (employees)	Training hours provided / Total number of employees	6.55	10.66	14.65
EH&S training rate (contractors)	Training hours provided / Total number of employees	2.37	3.70	6.98
Process safety event frequency	Events X 200,000 / Total exposure hours	0.01	0.02	0.03

Community	Formula/Unit	2020	2019	2018
Proved reserves in or near areas of conflict ²	%	0	0	0
Probable reserves in or near areas of conflict ²	%	0	0	0
Proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	%	0	0	0
Probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	%	0	0	0
Number and duration of non-technical delays	Number / days	0/0	0 / 0	0 / 0
Community spending	\$	\$946,247		
Charitable Donations	\$	\$1,284,919		

Careers	Formula/Unit	2020	2019	2018
Total staff	#	1,918	2,572	2,065
Women board members	#	3	2	2
Women in total workforce	%	30	30	35
Women in management	%	26	26	26
Women in senior leadership	%	27	19	21
Women in executive leadership	%	43	22	43
% Minorities in Workforce	%	14		
Minority Employees	#	254		
Voluntary employee turnover	%	4	7	4
Employees unionized	#	0	0	0

Environment	Formula/Unit	2020	2019	2018
Significant fines or penalties related to the environment or ecology ³	#	1	0	0

Air ^{4,5}	Formula/Unit	2020	2019	2018
GHG intensity (Scope 1)	Metric tons (CO ₂ e/Mboe)	17.9	20.8	20.9
Methane intensity	Metric tons (CH ₄ /Mboe)	0.1	0.2	0.2
Scope 1 GHG emissions (gross annual)	Metric tons CO ₂ e	4,607,622	5,956,212	5,623,772
Scope 2 GHG emissions (gross annual) ⁶	Metric tons CO ₂ e	453,332	424,944	391,092
GHG emissions attributed to boosting and gather segment (company wide)	%	35%		
Total methane emissions (gross annual)	Metric tons CO ₂ e	654,885	1,070,483	1,033,529
Total methane emissions (gross annual)	Metric tons	26,195	42,819	41,341
Methane as a percentage of scope 1 emissions	%	14	18.0	18.4
Methane emissions attributed to boosting and gather segment (company wide)	%	30%		
Gross annual flare volume	MMscf	8,478	13,669	11,926
Gross annual vent volume	MMscf	1,085	1,723	1,222
Flaring and Venting Intensity ⁷	Gross Flared and Vented Volumes/ Produced Gas	0.7%	1.1%	
Gas flared per Mcf of gas produced (company wide) ⁷	Gross Annual Volume of Flared Gas (Mcf)/ Gross Annual Gas Production (Mcf)	0.7%		
Volume of gas flared per BOE produced (company wide) ⁷	Gross Annual Volume of Flared Gas (Mcf)/ Gross Annual Gas Production (Boe)	0.03		
NO _x emissions	Metric tons	18,249	23,268	20,700
SO ₂ emissions	Metric tons	5,521	7,493	5,909

Water	Formula/Unit	2020	2019	2018
Fresh water withdrawn	Thousand cubic meters (m ³)	13,113		
Total fresh water consumed	Thousand cubic meters (m ³)	14,816	17,694	19,844
Fresh water intensity (company wide)	Fresh Water Consumed (Bbl)/ Gross Annual Production (Boe)	0.36		
Total Water Consumed Intensity	Total Water Consumed (Bbl)/ Gross Annual Production (BOE)	0.52		
Volume of produced water and flowback fluid generated	Thousand cubic meters (m ³)	11,350	25,919	22,358
Volume of produced water and flowback fluid injected into injection wells	Thousand cubic meters (m ³)	9,602	15,385	12,993
Volume of produced water and flowback fluid recycled	Thousand cubic meters (m ³)	7,753	8,306	8,326
Recycled water (recycled produced water)	Thousand cubic meters (m ³)	7,607		
Water Recycle Rate (company wide)	Recycled Water (Bbl)/ Total Water Consumed (Bbl)	0.36		
Hydraulically fractured wells for which there is public disclosure	%	100	100	100
Regions with high or extremely high baseline water stress ⁸	%	24	21	
Water discharged to land or surface water	Thousand cubic meters (m ³)	75		

Spills	Formula/Unit	2020	2019	2018
Hydrocarbon spills greater than 1 bbl that reached the environment	#	37	25	17
Hydrocarbon spills greater than 1 bbl that reached the environment	bbls	590	834	688
Hydrocarbon spills recovered	bbls	486	742	486
Hydrocarbon spills in the Arctic	#	0	0	0
Hydrocarbon spills in the Arctic	bbls	0	0	0
Hydrocarbon spills impacting shorelines with ESI rankings 8-10 ⁹	#	0	0	0
Hydrocarbon spills impacting shorelines with ESI rankings 8-10 ⁹	bbls	0	0	0
Spill Intensity (company wide)	Produced Liquids Spilled (Bbl)/ Total Produced Liquids (MBbl)	0.04		

Waste ¹⁰	Formula/Unit	2020	2019	2018
Nonhazardous liquid	m ³	118,575	175,233	382,207
Hazardous liquid	m ³	1045	1,034	3,997
Nonhazardous solid	Metric tons	85,261	112,309	185,705
Hazardous solid	Metric tons	83	283	281

NOTES

- 1. Recordable injuries include fatalities, permanent total disabilities, lost work cases, restricted work cases and medical treatment cases.
- 2. Per SASB definition of conflict areas.
- 3. Significant is any fine or penalty more than \$10,000. Environmental fine was \$20,000 administrative penalty levied by the Department of Environmental Quality, State of North Dakota
- 4. Intensity metrics calculated using gross production. Gross production is defined as the 8/8ths wellhead production for wells we operate before royalties and working interest adjustments (excluding divested assets). Gross annual production (2020) - 257,685 MBOE
- 5. Calculated using locally regulated methodology or locally recognized industry standards.
- 6. Indirect emissions are based on electricity usage at facilities and vary depending on energy source.
- 7. Volumes calculated as per regulatory reporting requirements in Canada and US.
- 8. 2019 was our first year to conduct water stress analysis using the WRI Aqueduct tool.
- 9. Per SASB reporting standard.
- 10. Waste data is for Canadian operations only.



AXPC ESG Metrics

Reporting Company:

Ovintiv

Reporting Period:

2020

	2020	Additional Comments
Greenhouse Gas Emissions		
GHG Emissions (metrics tons CO ₂ e)	1,935,752	
GHG Intensity GHG Emissions (Metric tons CO ₂ e)/Gross Annual Production - As Reported Under Subpart W (MBoe)	13.95	
Percent of GHG Emissions Attributed to Boosting and Gathering Segment	24%	
Methane Emissions (Metric tons CH ₄)	10,230	
Methane Intensity Methane Emissions (Metric tons CH ₄)/Gross Annual Production - As Reported Under Subpart W (MBoe)	0.07	
Percent of Methane Emissions Attributed to Boosting and Gathering Segment	21%	
Flaring		
Gross Annual Volume of Flared Gas (Mcf)	4,949,661	
Percentage of gas flared per Mcf of gas produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Gas Production (Mcf)	1.37%	
Volume of gas flared per barrel of oil equivalent produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Production (Boe)	0.040	
Spills		
Spill Intensity Produced Liquids Spilled (Bbl)/Total Produced Liquids (MBbl)	0.044	
Water Use		
Fresh Water Intensity Fresh Water Consumed (Bbl)/Gross Annual Production (Boe)	0.582	
Water Recycle Rate Recycled Water (Bbl)/Total Water Consumed (Bbl)	38.1%	
Does your company use WRI Aqueduct, GEMI, Water Risk Filter, Water Risk Monetizer, or other comparable tool or methodology to determine the water stressed areas in your portfolio?	Yes	
Safety		
Employee TRIR # of Employee OSHA Recordable Cases x 200,000 / Annual Employee Workhours	0.43	
Contractor TRIR # of Contractor OSHA Recordable Cases x 200,000 / Annual Contractor Workhours	0.20	
Combined TRIR # of Combined OSHA Recordable Cases x 200,000 / Annual Combined Workhours	0.22	
Supporting Data		
Gross Annual Oil Production (Bbl)	78,466,486	
Gross Annual Gas Production (Mcf)	361,678,713	
Gross Annual Production (Boe)	138,746,272	
Gross Annual Production (MBoe)	138,746	
Gross Annual Production - As Reported Under Subpart W (MBoe)	138,746	
Total Produced Liquids (MBbl)	226,859	
Produced Liquids Spilled (Bbl)	9,924	
Fresh Water Consumed (Bbl)	80,792,223	
Recycled Water (Bbl)	44,650,475	
Total Water Consumed (Bbl)	117,093,372	
Employee OSHA Recordable Cases	5	
Contractor OSHA Recordable Cases	19	
Combined OSHA Recordable Cases	24	
Annual Employee Workhours	2,342,080	
Annual Contractor Workhours	19,468,339	
Methodology	Actuals	
Annual Combined Workhours	21,810,419	

2020 Disclosures Index

Section	Website Location	SASB METRIC	IPECA METRIC
Overview	Highlights		CCE-4, CCE-5, CCE-7, SHS-3
	From the Chair and CEO	EM-EP-320a.1, EM-EP-320a.2	SOC-5, CCE-1, CCE-2, CCE-4, CCE-5, CCE-7, SHS-3
	Our Approach to ESG	EM-EP-320a.2	CCE-1, CCE-2
	History of Transparent Disclosure		CCE-1, CCE-2
	ESG Materiality Assessment		CCE-1, CCE-3
	UN Sustainable Development Goals		CCE-1, CCE-2, ENV-3, SOC-15
Environment	Highlights		CCE-2, CCE-4, CCE-5, CCE-7
	Emissions and Climate Change	EM-EP-110a.3, EM-EP-320a.2, EM-EP-530a.1	GOV-2, CCE-1, CCE-2, CCE-4, CCE-5, CCE-7, ENV-5
	Measuring and Managing Emissions	EM-EP-110a.3, EM-EP-320a.2, EM-EP-530a.1	GOV-2, CCE-1, CCE-2, CCE-4, CCE-5, CCE-7, ENV-5
	Emissions Reduction Best Practices	EM-EP-110a.3	GOV-2, CCE-1, CCE-2, CCE-4, CCE-5, CCE-7, ENV-5
	Leak Detection and Repair	EM-EP-110a.3	CCE-1, CCE-2, CCE-5
	Reducing the Need to Flare	EM-EP-110a.3	CCE-2, CCE-4, CCE-7
	Our Approach to Effective Climate Change Policy	EM-EP-530a.1	CCE-1, CCE-2, GOV-5
	Operational Innovation	EM-EP-110a.3, EM-EP-530a.1, EM-EP-540A.2	ENV-5, CCE-2, CCE-3, CCE-5, CCE-6, GOV-2
	Chiefs Organization	EM-EP-110a.3	CCE-3, CCE-4, CCE-5
	Water Stewardship	EM-EP-140a.1, EM-EP-160a.1	ENV-1, ENV-2
	Alternative Water Use	EM-EP-140a.1, EM-EP-160a.1	ENV-1, ENV-2
	Protecting Groundwater	EM-EP-160a.1	ENV-2, ENV-6
	Responsible Products	EM-EP-160a.1	ENV-6, ENV-7, SHS-5
	Spill Prevention	EM-EP-160a.1	ENV-2, ENV-6, ENV-7, SHS-5
	Decommissioning & Reclamation	EM-EP-160a.1	ENV-8, SOC-10
	Biodiversity, Site Assessment & Conservation	EM-EP-160a.1, EM-EP-160a.3	GOV-2, ENV-3, ENV-4
	Waste Management	EM-EP-160a.1	GOV-2, ENV-7
	Naturally Occurring Radioactive Materials	EM-EP-160a.1	ENV-7, GOV-2
	Induced Seismicity	EM-EP-160a.1	ENV-7, GOV-2
Social	Highlights	EM-EP-320a.2	SHS-3, SOC_5
	Pandemic Response	EM-EP-320a.2	SOC-4, SHS-1, SHS-2
	Safety	EM-EP-320a.2	GOV-2, SHS-1
	Industry Leading Safety Culture	EM-EP-320a.2	GOV-2, SHS-1, SHS-3, SHS-6
	Measuring EH&S Performance	EM-EP-320a.1	ENV-6, SHS-3, SHS-4, SHS-5, SHS-6
	EH&S Strategy and Performance Management	EM-EP-320a.2, EM-EP-540a.2	GOV-2, SOC-9, SHS-1, SHS-3, SHS-4, SHS-5
	Employee Training		SOC-7, SHS-1
	Learning from Incidents		ENV-6, SHS-1, SHS-3
	Empowering Employees (Lifesaving Rules)	EM-EP-320a.2, EM-EP-540a.2	GOV-2, SOC-7, SHS-1
	Driver Safety	EM-EP-320a.2	GOV-2, SOC-7, SHS-2, SHS-4
	Employee Health	EM-EP-320a.2	SOC-4, SHS-2
	Supply Chain Management	EM-EP-320a.2, EM-EP-510a.2	SOC-2, SOC-14, GOV-3, SHS-1
	Partnering with Suppliers	EM-EP-320a.2, EM-EP-510a.2	SOC-2, SOC-14, GOV-3, SHS-1, SHS-2, SHS-6
	Enhancing our Social Commitment		SOC-5, SOC-9, SOC-13
	Indigenous Relations	EM-EP-210a.3	ENV-1, SOC-1, SOC-4, SOC-9, SOC-10
	Community Engagement	EM-EP-210b.1	SOC-9, SOC-12, SOC-13, SHS-1
	Community Investment	EM-EP-210b.1	SOC-9, SOC-13, SOC-15, SHS-2
	Careers and Employee Development		SOC-4, SHS-2, SOC-7
	Workforce		SOC-4
	Compensation and Benefits		SOC-4, SHS-2
	Fostering Internal Collaboration		SOC-7
	Employee Learning and Development		SOC-7
	Diversity, Equity and Inclusion		SOC-4, SOC-5, SOC-6
	Human Rights	EM-EP-210a.3	SOC-1, SOC-2, SOC-3, SOC-4, SOC-8, GOV-2, GOV-3

Governance	Highlights		GOV-1, CCE-1
	Governance Structure		GOV-1, GOV-2
	Best Practices	EM-EP-510a.2	GOV-1, GOV-2, GOV-3
	Board of Directors	EM-EP-320a.2, EM-EP-540a.2	GOV-1, GOV-2, GOV-3, CCE-1
	Pay-for-Performance Compensation		GOV-1
	Codes of Conduct	EM-EP-510a.2	GOV-3, SOC-2, SOC-3, SOC-7, SOC-8, SOC-12
	Cybersecurity	EM-EP-540a.2	GOV-2, SHS-7
	Political Advocacy and Involvement		GOV-4, GOV-5, CCE-1
Climate & TCFD	Governance	EM-EP-110a.3	GOV-1, CCE-1, CCE-2
	Risk Management	EM-EP-420a.4, EM-EP-540a.2	GOV-1, CCE-1, CCE-2, CCE-3, CCE-4
	Opportunities	EM-EP-530a.1	CCE-1, CCE-2
	Strategy	EM-EP-530a.1	CCE-1, CCE-2
	Climate-Focused Scenario Analysis	EM-EP-420a.1, EM-EP-420a.4	CCE-1, CCE-2
	Metrics and Targets	EM-EP-110a.3	CCE-1, CCE-2, CCE-4
Performance	2020 Performance Data Table	EM-EP-110a.1, EM-EP-110a.2, EM-EP-120a.1, EM-EP-140a.1, EM-EP-140a.2, EM-EP-140a.3, EM-EP-160a.2, EM-EP-210a.1, EM-EP-210b.2, EM-EP-320a.1, EM-EP-510a.1, EM-EP-540a.1	CCE-4, CCE-5, CCE-7, ENV-1, ENV-2, ENV-5, ENV-6, ENV-7, SOC-4, SOC-5, SOC-6, SOC-7, SOC-9