



2021 Devon Energy


Sustainability Report

Includes updates since original publication.



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Continuing Commitments. We’re proud to highlight our efforts to set high standards as a neighbor, community partner, environmental steward and employer.

					
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About This Report

Our company

Devon Energy is pleased to present our 2021 Sustainability Report highlighting our environmental, social and governance (ESG) performance and our ongoing efforts to improve in all these areas. We're driven to deliver industry-leading results while being a good neighbor, valued and effective community partner, responsible environmental steward and supportive, caring employer.

On January 7, 2021, Devon Energy and WPX Energy completed our merger of equals. We are proud to be a leader in the energy industry, producing oil and gas that are essential to lives and livelihoods around the world. We produce valuable commodities that are fundamental to society, and we do so in a safe, environmentally responsible and ethical way, while striving to deliver strong returns to shareholders.

Based in Oklahoma City, Oklahoma, Devon employs about 1,600 people whose motto is: Commitment Runs Deep. We take this to heart and commit to do the right things the right way for everyone who has a stake in our success – investors, employees and neighbors alike.

Our commitment to accountability and transparency in reporting our ESG progress is reflected in this report. It covers the most material policies, programs and performance related to our ESG efforts, as determined in a materiality assessment described in this section.

Materiality assessment

The contents of this report were determined through a comprehensive materiality assessment to identify the most relevant and impactful performance areas for Devon and our key stakeholders.

Facilitated by a third-party ESG consultant, the assessment followed a process recommended by the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting, published jointly by the International Petroleum Industry Environmental Conservation Association (IPIECA), the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (IOGP). The process included in-depth, one-on-one interviews with Devon's chief executive officer and other executive committee members, and a workshop with leaders of Devon's operations, environmental, safety, corporate governance, investor relations, human resources, supply chain, legal, government affairs, corporate communications and community relations departments. Leaders identified key stakeholders and material areas for reporting and mapped them on a materiality matrix.

Unless otherwise noted, the information in this report is presented pro forma for the combination of Devon and WPX for 2018, 2019 and 2020 and applies to operated assets under each company's control in the U.S. Certain metrics and results that apply to only one of the legacy companies will be noted as such.





About This Report continued

Devon also has evaluated common reporting frameworks, including those of IPIECA, the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (SDGs). Based on our most recent evaluation, the contents of this report are mapped and indexed to IPIECA, TCFD and SASB, which we believe track the most relevant indicators for Devon and our stakeholders.

Since conducting our initial materiality assessment in 2018 as previously described, Devon has reviewed material areas periodically to ensure they remain relevant and meaningful for our stakeholders. As part of the planning process for this report, discussions to evaluate current material areas were held with Devon executive committee members, members of our ESG Steering Committee and Environmental, Health and Safety (EHS) Council, and internal subject matter experts. External stakeholder materials such as assessments from Sustainalytics, MSCI, Institutional Shareholder Services, Vigeo Eiris and RobecoSAM, as well as stakeholder engagements, also were reviewed.

Based on this assessment process, this report focuses on the following top material areas of our ESG performance: safety, greenhouse gas emissions, climate change, water recycling and conservation, corporate governance, shareholder engagement, diversity, equity and inclusion, corporate culture, community relationships.

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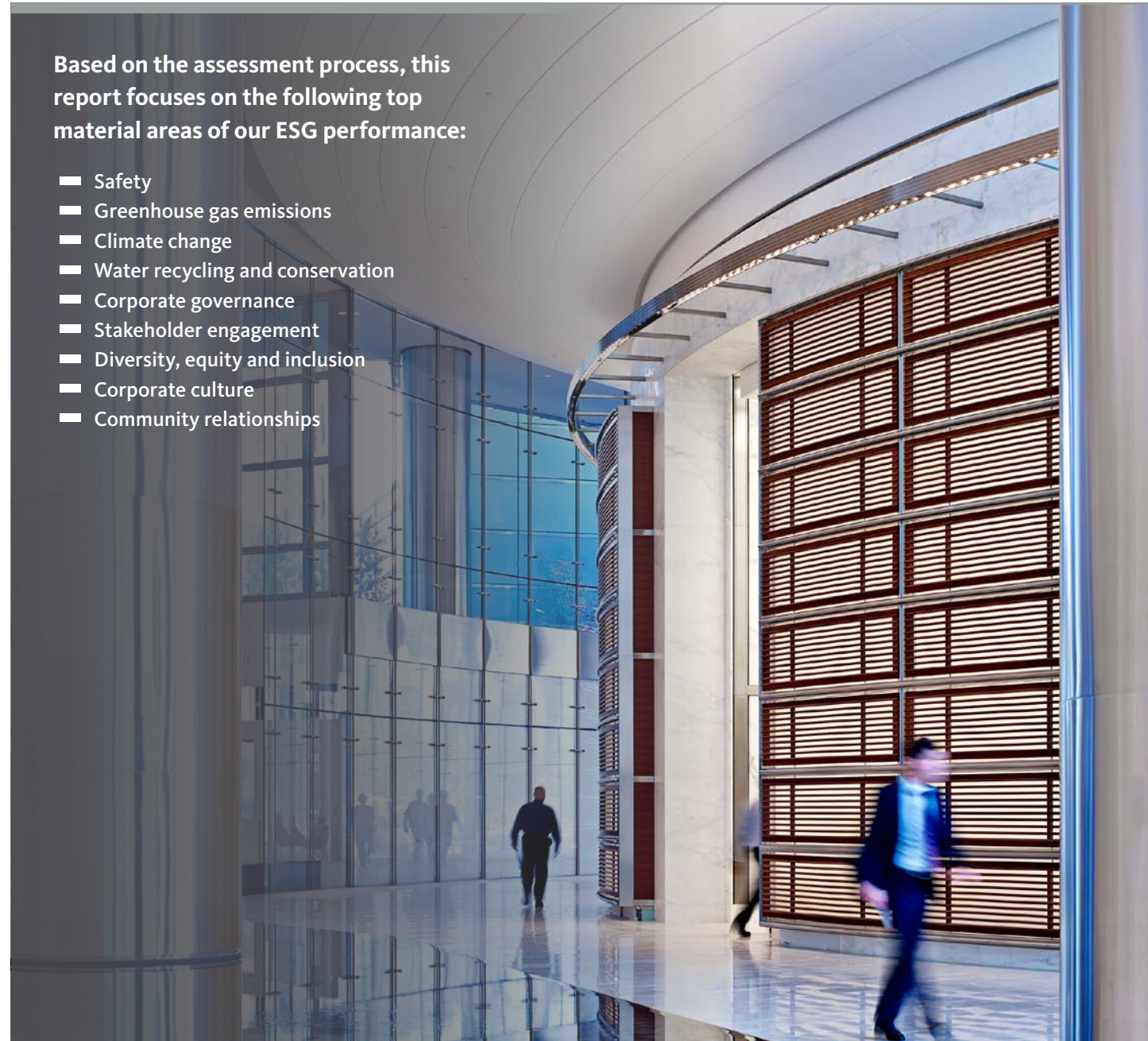
- Safety
- Greenhouse gas emissions
- Climate change
- Water recycling and conservation
- Corporate governance
- Stakeholder engagement
- Diversity, equity and inclusion
- Corporate culture
- Community relationships

Note that the concept of materiality used to prepare this report is not meant to correspond with the concept of materiality associated with disclosures required by the U.S. Securities and Exchange Commission. We applied the IPIECA/API/IOGP sustainability reporting guidance (4th edition, 2020) definition of materiality:

Any topic that – in the view of management or stakeholders – significantly affects the company’s performance and informs external opinion. They tend to be issues that most affect value creation and the economic and reputational resilience of a company in a positive or negative way.

Devon is committed to continuously improving our ESG performance and communicating it transparently. We invite you to provide your feedback on how we’re doing by using our stakeholder contact portal.

[CONTACT US](#)





CEO Letter

Doing the right things the right way



Rick Muncrief
President and CEO

Since Devon Energy and WPX Energy completed our merger in January 2021, we've been able to quickly unite our workforce and advance our business on all fronts. I'm excited to lead this premier company that has resilience rooted in a half-century of achievement, and I'm confident our innovative spirit, financial strength and continuous improvement mindset will allow us to succeed over the next 50 years and beyond.

Devon is first and foremost an energy company. Oil and gas enable us all to house and feed our families, heat and cool our indoor spaces, travel, manufacture necessities and carry out other essential activities. We're proud to produce the energy that makes all this possible, and to do it safely, responsibly and with care for the environment and our stakeholders. At Devon, creating shareholder value through better results in every part of our business, including our environmental, social and governance performance, is our goal every day.

Guided by values

We're pursuing both ESG and operational excellence in thoughtful ways, and with a sense of urgency. Because we're guided by strong values, one of the first steps our newly merged company took was to define the values we all share – integrity, relationships, courage and results. These values build on each other to drive our performance.

Integrity

Everything starts with integrity at Devon. Openness and honesty are at the core of our relationships, our commitments and our actions. We believe integrity requires transparency, and we seek to demonstrate both by discussing our ESG efforts in this 2021 Sustainability Report, as well as our 2021 Climate Change Assessment Report and other public disclosures.

Relationships

Interactions based on integrity enable Devon to earn trust and establish strong relationships. We seek input from a wide variety of stakeholders, listen carefully and work together to solve problems. Internally, this approach is giving us momentum as we adopt best practices from both legacy companies across our business. It also allows us to create constructive connections with external stakeholders that help us advance our environmental objectives, public advocacy positions and community partnerships.

Courage

Empowered by our strong track record of integrity and our respectful relationships, Devon employees are courageous in challenging the status quo. We encourage our people to take intelligent risks, and not to be paralyzed by fear of failure. During the challenging market conditions in 2020 and throughout the ongoing global public health crisis, we have thought carefully about our decision to stick to our core activities, making sensible adjustments to consistently produce oil and gas. In 2021, courage is also evident in our new, aggressive environmental targets and in the corporate goals we set each year to challenge ourselves to do better.

Results

Our corporate culture encourages people to take pride of ownership in what they're working on, and to deliver strong results. The Devon team made important strides in ESG in the past year, while taking on the challenge to do more.

Setting targets for environmental performance

Internally and externally, we are being called upon to do more to address the challenges of climate change. As we focus on continuous improvement in everything we do, we have set aggressive targets to reduce the carbon intensity of our operations. We've been focused on this for many years, and in fact over the past three years we've successfully reduced our methane intensity 58%. Now we're identifying additional technologies and best practices to further reduce emissions.

We're also evaluating opportunities to create value in the coming transition to ever-cleaner forms of energy, seeking to leverage our strengths and partnerships. As Devon and others work toward a lower carbon future, any meaningful

58%
Reduction of our
methane intensity over
the past three years.



CEO Letter continued

advancement is going to require continued investment in all types of infrastructure and in particular, electrical infrastructure. So it's incumbent upon us all to be less divisive and more constructive in these conversations.

As we move forward, Devon will be thoughtful about capital spending to achieve our targets and finding new ways to be environmentally responsible in a financially responsible way.

Caring for people

In the past year, we focused our social efforts on the well-being of our workforce and communities, and on being a valued community partner. We accelerated some social investments and modified our programs to help our partners meet immediate needs due to the COVID-19 pandemic.

With the help of Devon's Diversity, Equity and Inclusion (DEI) Team, we launched new grants for community organizations in Oklahoma City. In Tulsa, to honor the community's support of legacy WPX Energy, we made a series of grants to advance economic development, education, social services and community enrichment. We also worked to deepen our understanding of social and racial issues through intentional conversations and listening as steps toward improving our community and company.

Providing a safe work environment for our employees and contractors is our responsibility and an extension of our caring culture. We've adopted safety best practices from both legacy companies and in our 2021 corporate safety goals, we will hold ourselves accountable for improved outcomes.

Working for all stakeholders

We're able to make progress on ESG because the Devon board of directors is highly engaged and committed to progressive governance that benefits all of our stakeholders. Since 2020, we've further diversified the board, enhanced its oversight of ESG and continued to align executive compensation with the interests of our stockholders. Our board endorses our new environmental targets and our commitment to public ESG disclosures to show we're accountable for how we do business.

The world is changing, and Devon is changing with it. To be a leading U.S. energy company, we're working diligently to make a positive and sustainable impact for all of our stakeholders. Our targets require us to improve how we deliver oil and

gas to mitigate climate change risk and to publicly disclose our progress. We're cultivating a safe, inclusive, diverse and equitable work environment, and engaging our communities to understand how Devon can make a difference beyond our workplace. I'm constantly inspired and encouraged by the great attitude and positive outlook of Devon's people, and am very optimistic about the company's future.

Thank you for taking the time to learn what the Devon team is doing to be a safe, ethical and environmentally responsible oil and gas producer to a world that demands energy. We welcome your thoughts on this report so that we can tailor our future reporting and disclosures to your interests.

Sincerely,

Richard E. "Rick" Muncrief
President and CEO

Devon's values

The newly blended values naturally build on one another to achieve results.



Integrity

Openness and honesty unite us and are at the core of everything we do.



Relationships

We are caring, connected and supportive of our employees and stakeholders and succeed as one team.



Courage

We take intelligent risks and share our successes and failures to continuously improve.



Results

We always seek to achieve better results and make a positive and sustainable impact.



Message from Our Board

Overseeing ESG progress



Dave Hager
Executive Chair



Barbara M. Baumann
Chair of Governance,
Environmental, and
Public Policy Committee

Our board of directors knows that Devon's success is highly dependent on the company's environmental, safety, social and governance-focused efforts. As we considered the merger of Devon Energy and WPX Energy in late 2020, we explored our vision for the performance of the go-forward company in light of our shared belief in the importance of the ESG-related efforts. We concluded that the merger offered a unique operational and cultural opportunity: The expanded footprint of the combined company would allow us to scale up our ESG-related performance.

We quickly followed through on this vision after the merger of Devon and WPX in January 2021. We took a hard look at the best practices of each legacy company. To facilitate our efforts, we expanded the scope of our board's Governance Committee, re-naming it the Governance, Environmental, and Public Policy (GEPP) Committee, to overtly acknowledge our heightened focus on these areas. Hand-in-hand with our endeavors, management reviewed practices and performance at each legacy company and synthesized data in order to develop quantitative targets for our ESG priorities. We were also attentive to the perspectives of our stakeholders.

Our post-merger work reflects that our board and management believe that continuously improving our environmental performance is one of our company's and industry's core responsibilities. Indeed, the board has unanimously endorsed Devon's ambitious new environmental targets to lower the company's carbon impact. These targets now directly inform how we allocate capital, employ new technologies, optimize production from our assets, and broadly engage with our stakeholders.

At Devon, we welcome the accountability arising from our targets. To meet these bold environmental targets, we know that innovation, as well as diverse and creative viewpoints, will be key contributors to our success. We are confident that we can deliver strong operational and financial results in a manner that reduces our environmental impact while safeguarding our workforce and the communities in which we operate. Devon is committed to leadership in ESG.

The GEPP Committee as well as the entire board of directors are eager to hear your feedback on our approach and performance on the full range of our environmental, health, safety, diversity and governance programs. Thank you for your continuing interest in Devon.

Sincerely,

Dave Hager
Executive Chair

Barbara M. Baumann
Chair of Governance, Environmental,
and Public Policy Committee



Report Summary

- Expanded the responsibilities of the former Governance Committee to include environmental and public policy oversight, renaming it the Governance, Environmental, and Public Policy (GEPP) Committee.
- Quickly integrated legacy company best practices to drive continuous improvement across Devon.
- Elevated the importance of ESG by creating the new position of vice president of ESG and EHS.
- Set ambitious targets to further reduce the carbon intensity of our operations, minimize freshwater use and engage constructively with our value chain.

NET
ZERO

GHG EMISSIONS FOR
SCOPE 1 & 2 BY 2050

90%

NON-FRESHWATER USAGE,
FOR COMPLETIONS IN MOST
ACTIVE DELAWARE BASIN
OPERATING AREAS

50%

REDUCTION IN GHG
EMISSIONS INTENSITY
FOR SCOPE 1 & 2 BY 2030

0.5%

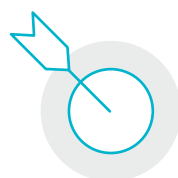
OR LOWER FLARING
INTENSITY BY 2025

65%

REDUCTION IN METHANE
EMISSIONS INTENSITY BY 2030

ELIMINATE

ROUTINE FLARING
BY 2030



ANNUAL ASSESSMENT

OF DEVON CONTRACTORS IN KEY ESG
PERFORMANCE AREAS BY 2023

[READ MORE ON PAGE 8](#)

Environmental

- Reduced Scope 1 and 2 GHG emissions 14% and methane emissions by 47% in 2020 compared to 2019.

Direct and Indirect GHG Emissions (Scope 1 and 2) (million tonnes CO₂e)



Methane (million tonnes CO₂e)



- Reduced Scope 1 and 2 GHG emissions intensity 13% and methane emissions intensity by 47% in 2020 compared to 2019.

- Reduced flared volume intensity by 33% in 2020 compared to 2019.

Flaring Intensity (% of natural gas produced)



- Used approximately 37 million barrels of recycled water in 2020. Over 150 million barrels of recycled water used since 2015.

- 17 consecutive years of climate reporting to CDP.*

- 8 consecutive years of water reporting to CDP (since inception).*

- Continued track record of increasing transparency on climate change through our 2021 Climate Change Assessment Report.

* Legacy Devon

Safety

- Adopted legacy company best practices for vehicle driving safety, serious incidents and fatalities (SIF) review processes and contractor management practices.

13% Reduction in total employee and contractor recordable incident rate (TRIR) in 2020.

19% Reduction in Lost Time Incident Rate (LTIR) in 2020.

- 2021 corporate safety goals represent a larger portion of the compensation formula to incentivize improvements.

Social

- Launched our Inclusion and Equity Grants program to support nine Black community organizations in Oklahoma City.

- Distributed over 10,000 at-home STEM resources for children and teachers in our operating areas.

- Addressed urgent community needs resulting from the COVID-19 pandemic by modifying our social investment plan activities.

- Raised \$1.4 million in our expedited annual employee giving campaign.

- Honored the Tulsa community's support of legacy WPX Energy with grants focused on economic development, education, social services and community enrichment.

Governance

- Enhanced the structure and composition of the board of directors to cultivate strong risk management, decision-making and communications.

- Earned top-tier rankings among peer companies on major ESG-focused surveys and assessments.

- Continued track record of increasing transparency on political activity and lobbying through our 2021 Political Activity and Lobbying Report.

- Engaged with approximately 100 governance representatives of institutional investors representing more than 46% of outstanding shares.

Workforce

- Introduced blended values following our merger to guide us in becoming a cohesive and high-performing Devon.



- Supported employees with flexible working arrangements, responsive wellness programs and frequent communications during the COVID-19 pandemic.

- Improved internal and external talent practices to reduce bias and increase diversity of candidates.



Performance Targets

We know that strong environmental performance is essential to protecting the communities in which we live and operate, managing risk and generating long-term value for stakeholders.

Devon has established aggressive environmental performance targets focused on reducing the carbon intensity of our operations, minimizing freshwater use and engaging constructively with our value chain. These targets reflect our dedication and commitment to achieving meaningful emissions reductions while pursuing our ultimate goal of net zero GHG emissions.



GHG EMISSIONS FOR SCOPE 1 & 2 BY 2050

50%

REDUCTION IN GHG EMISSIONS INTENSITY FOR SCOPE 1 & 2 BY 2030



65%

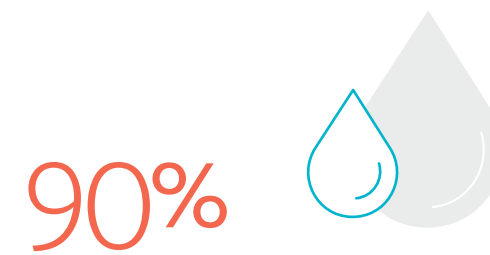
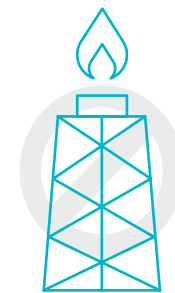
REDUCTION IN METHANE EMISSIONS INTENSITY BY 2030

0.5%

OR LOWER FLARING INTENSITY BY 2025

ELIMINATE

ROUTINE FLARING BY 2030



NON-FRESHWATER USAGE, FOR COMPLETIONS IN MOST ACTIVE DELAWARE BASIN OPERATING AREAS



ANNUAL ASSESSMENT

OF DEVON CONTRACTORS IN KEY ESG PERFORMANCE AREAS BY 2023

Net Zero GHG Emissions

- Devon's history of using advanced technologies to improve efficiencies across the business will be key to delivering on our ambition of achieving net zero GHG emissions for Scope 1 and 2 by 2050.
- In pursuit of continued transparency, our 2021 Climate Change Assessment Report outlines our approach to proactively address climate-related risks and opportunities.

GHG and Methane Emissions Reductions

- To demonstrate our progress in achieving our longer-term net zero ambition, Devon is targeting reductions of our Scope 1 and 2 GHG emissions intensity by 50% and methane emissions intensity by 65% by 2030 from a 2019 baseline.
- Devon's emission reduction strategy will involve a range of potential actions including expanding our leak detection and repair program; implementing advanced leak detection technologies; reducing the volume of natural gas that is flared; electrifying facilities to reduce the use of natural gas and diesel consumed onsite, including transitioning from gas-driven to air-driven pneumatic controllers; and optimizing facility design to minimize leaks and eliminate common equipment failures.

Flaring Performance

- A key component of Devon's broader emissions reduction strategy is to focus on reducing flared volumes to protect the environment.
- We are establishing a two-pronged approach to improve our flaring performance — targeting a flaring intensity of 0.5% of gross natural gas produced by 2025 and eliminating routine flaring, as defined by the World Bank, by 2030.
- We expect to drive results by continuing to engage in pre-production planning, optimize facility design and operating conditions, assess and deploy beneficial reuse technologies, and collaborate with service providers to prevent and mitigate midstream and downstream constraints.

Water Conservation

- Devon is committed to conserving and reusing water. We've set a target to advance our recycled water rate and use 90% or more non-freshwater for completions activities in our most active operating areas within the Delaware Basin.
- To minimize freshwater use, the company employs economically and operationally feasible freshwater alternatives wherever possible and has a dozen water recycling facilities throughout the Delaware Basin.

Value Chain Engagement

- Devon will continue evaluating how we can constructively engage stakeholders upstream and downstream of our operations to improve ESG performance across our value chain.
- By 2023, Devon contractors, who perform work on the company's locations, will begin undergoing annual evaluations to assess their ESG performance in key areas.



Operations Overview

Superior execution

At Devon Energy, operational excellence goes beyond technical know-how, compliance, disciplined capital spending and supply chain proficiency. Delivering strong operational results means keeping our workforce and communities safe, protecting the environment and sustaining our social license to operate across our portfolio of premier assets.

Devon finds and produces oil, natural gas and natural gas liquids in the most prolific basins in the U.S. Since our founding 50 years ago, Devon has pioneered operational practices, been proactive in applying technology and resilient in adapting to evolving market conditions, regulations and increasing stakeholder expectations. Our work helping to supply reliable, affordable energy enables Devon to create jobs, strengthen our communities, and contribute to local, state, federal and global economies. We do this while actively mitigating our impacts to address stakeholder concerns about climate change and other issues.

Environmental, health and safety (EHS) performance

Devon's operating teams are accountable for delivering strong operational results while protecting people and the environment, and complying with all applicable laws, regulations and company policies. Through continuous improvement in operations and EHS performance, we're able to improve efficiencies, lower costs and reduce our environmental impacts. We reinforce the importance of EHS results by tying a portion of our annual compensation to achieving corporate EHS targets.

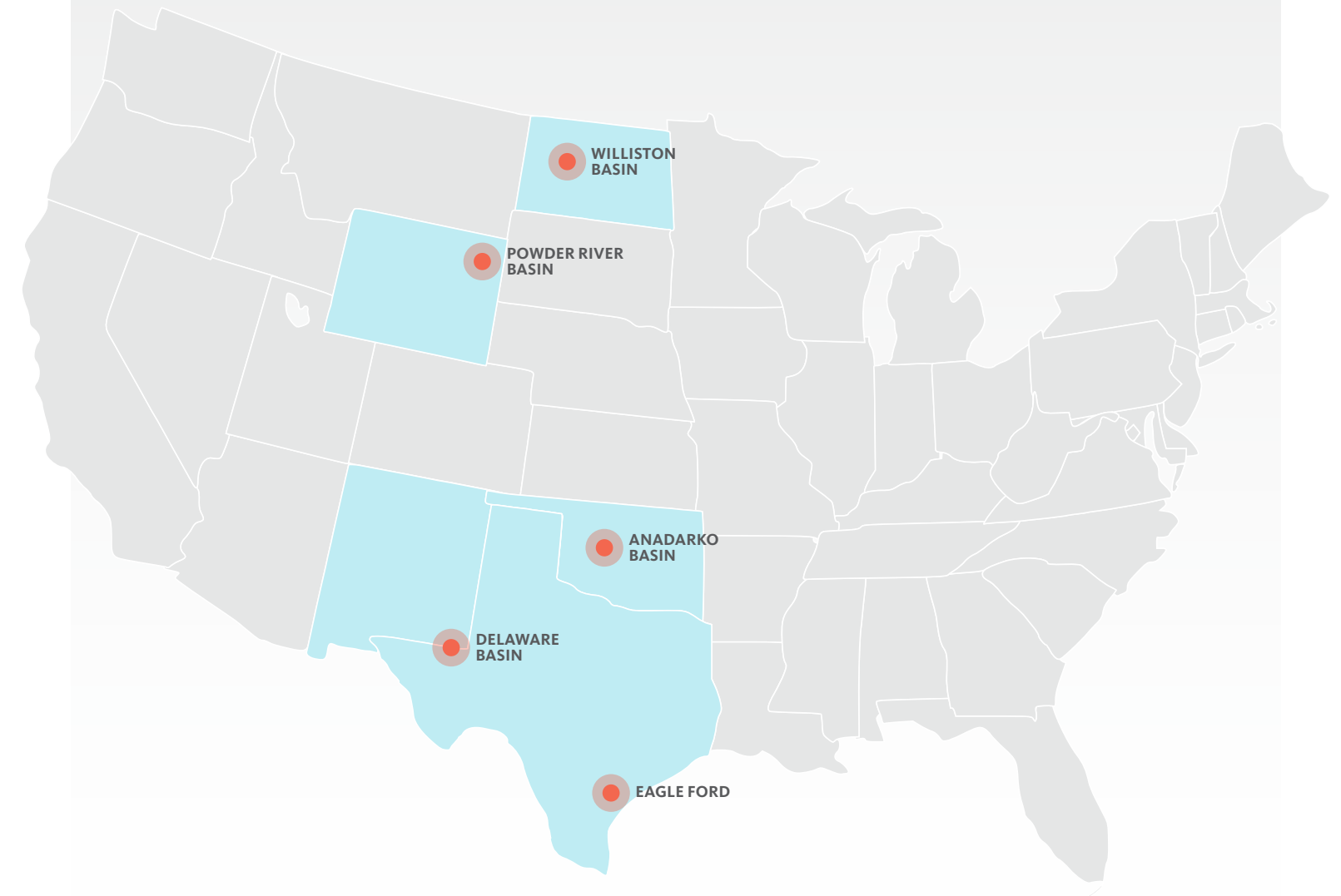
Our EHS Council sets our strategy and priorities for improving EHS performance, and regularly communicates plans and progress with our operating teams. EHS professionals in our field operations support our teams with timely guidance and effective policies, protocols and practices. To safeguard our workforce, Devon's operating teams work proactively to strengthen our safety culture, share lessons learned, identify trends, and track leading and lagging indicators.

We evaluate and apply the latest technologies, tools and best practices to improve our environmental performance. Mitigating greenhouse gas (GHG) and methane emissions and meeting our short- and long-term methane intensity reduction targets is a top priority. We've made progress by reducing flared volumes from our operations and steadily increasing the number of voluntary leak detection and repair (LDAR) surveys performed on equipment. We've reduced our need for fresh water in our operations by increasing our recycling capacity and the volume of recycled water we use. We also seek to limit the use of fresh water as much as possible.

Diversified footprint across the U.S.

In 2021, our merger of equals with WPX Energy expanded and diversified our footprint of premier acreage positions with a deep, high-quality inventory of drilling locations. Our focused development plan centers on drilling activity in our core areas of the Delaware Basin of southeast New Mexico and west Texas, the Eagle Ford Shale in south Texas, the Powder River Basin in Wyoming, the Williston Basin in North Dakota and the Anadarko Basin in western Oklahoma.

We've positioned Devon for sustainable growth through a disciplined, returns-driven strategy, significant financial strength and liquidity, and an advantaged dividend. Our commitment to environmental, social and governance (ESG) excellence supports our growth by keeping us focused on managing risk, operating responsibly and improving continuously.





Operations Overview continued

Technology and innovation

As a long-time industry innovator, we develop, deploy and investigate advanced technologies to improve EHS performance and optimize production. These include methods to detect equipment methane leaks, assess flare performance, identify beneficial uses of produced water outside of our industry and identify small fluid spills.

We invest in a dedicated technology team and embed technology professionals in our business units to align solutions to business needs. For example, our data science analytics team developed custom artificial intelligence models that evaluate multiple camera images of wellsites every hour to determine if the flaring equipment is functioning properly. If issues are detected, we can alert or dispatch an operator to take action. We have patents pending for the unique camera technology. Devon also holds multiple patents related to drilling and completions operations, including the breakthrough in fracture diagnostics called sealed wellbore pressure monitoring.

Capital efficiency

Operational excellence requires controlling costs, which we've accomplished with operating margin improvements, general and administrative cost savings, and drilling and completions efficiencies. In addition, our enhanced operating scale has improved supply chain efficiencies.

Safeguarding people and the environment is important to our daily operations, the long-term value of our company and our social license to operate. We challenge ourselves every day to deliver outstanding environmental, health, safety, operational and financial performance.

Additional information about Devon's performance is available in our detailed quarterly earnings presentations.

[LEARN MORE](#)

The Delaware Basin: Environmental performance proving ground

To improve our overall performance, we often start where changes can have the biggest impact: in the Delaware Basin, our most active operating area and the growth engine for the company. Devon operates about 400,000 net acres across multiple formations in the Delaware Basin of southeast New Mexico and west Texas, where we're enhancing our environmental performance while delivering top-tier operational results.

The Delaware Basin is a main driver of our overall air emissions performance. To reduce GHG and methane emissions, we stopped routine flaring in this region in 2017 and flare only when experiencing system upsets or midstream or downstream constraints. We took action in 2019 to curtail these issues in our legacy Devon assets in New Mexico, leading to a 95% reduction in our flared volume intensity from mid-2019 to mid-2021.

To reduce venting or flaring from oil and condensate storage tanks, we install vapor recovery towers to maximize gas recovery and minimize the volume of tank vapors that need to be flared. In 2021, we successfully piloted a low-emission storage tank design that further maximizes gas recovery, eliminates the need to flare tank vapors during normal operation, and minimizes emissions through a reduction in the number of potential leak sources. To mitigate venting from natural gas-driven pneumatic devices, we have installed air-driven pneumatic pumps and controllers at all new legacy Devon Delaware Basin facilities since early 2019.

Additional reductions in GHG and methane emissions in the Delaware Basin will be needed to meet our environmental targets. Our evaluation of emerging technologies for detecting and quantifying equipment leaks includes investigating advanced optical gas imaging, sensor-based continuous monitoring and remote detection using aircraft and satellites. We are conducting active pilot projects in the Delaware and Anadarko basins, which have provided valuable insight into the capabilities of aerial and ground-based detection technologies, the types of emissions detectable, and potential use cases going forward to further improve our emissions performance.

We address water scarcity in the Delaware Basin by using fresh water only when blending and only when reused water isn't available in sufficient quantities. Reused and brackish water have steadily accounted for more of our water use, and we've invested in industry-leading recycling capacity. The legacy Devon and WPX companies combined used approximately 37 million barrels of reused and recycled water in 2020 – and more than 150 million barrels since 2015. We store reusable water in impoundment basins, enabling us to save water and to eliminate hauling water by truck and the associated emissions and traffic safety hazards. We're so committed to conserving water in the Delaware Basin that one of our new targets is to use 90% or more non-fresh water for completions activities in our most active operating areas of the basin.

We're continuing to advance our environmental improvement programs in the Delaware Basin to meet our short-, medium- and long-term targets for air emissions reductions and water recycling. At the same time, we're increasing our capital efficiency, reducing field-level costs and increasing production – showing that strong environmental performance and operational excellence go hand-in-hand at Devon.





Environment

Protecting air, water, land and wildlife

The Environment section of our 2021 Sustainability Report includes:

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Spill Prevention	28

Resource Links:

- [2021 CDP Climate Response *](#)
- [2021 CDP Climate Score *](#)
- [2021 CDP Water Response *](#)
- [2021 CDP Water Score *](#)
- [2021 CDP Supplier Engagement Rating *](#)
- [2021 Climate Change Assessment Report](#)
- [Environment, Health and Safety \(EHS\) Philosophy](#)
- [EHS protocols for business processes](#)

* data reflects legacy Devon only





Overview

Devon is committed to doing what’s right for the environment. We want to be a good neighbor, a trusted partner and a responsible, competitive operator as we produce oil and natural gas to help meet global demand. We believe exemplary environmental performance is essential to managing risk and developing forward-looking business opportunities, with the aim of being successful throughout and beyond the energy transition.

To continuously improve our environmental performance, Devon is proactive and results oriented. We consider the potential impacts of our operations when planning activities and making decisions. We strive to comply with all applicable environmental laws and regulations, often going above and beyond what’s required. In the process, Devon incorporates technology, tools and techniques that enable us to minimize or avoid effects on air, water, land and wildlife.

We’re committed to working with contractors who share our commitment to environmental stewardship, and by 2023 contractors who perform work on Devon locations will begin undergoing annual assessments

of their environmental, social and governance (ESG) performance in key areas. Devon requires our contractors to employ personnel who are adequately trained to perform environmentally sound work and have programs to comply with applicable environmental laws, rules and regulations. Contractors as well as employees have responsibility to stop work to prevent spills or other environmental issues.

Our strong commitment to environmental stewardship has enabled us to establish a track record of performance improvements. One of our top priorities is to reduce our greenhouse gas (GHG) and methane emissions, and we’ve documented this long-standing focus by responding to the CDP climate change survey for 17 consecutive years.

We’ve been at the forefront of water conservation in our industry for almost two decades, and have responded to CDP’s water survey since its inception eight years ago. We also take great care to preserve the landscape and protect wildlife habitat and cultural resources in areas surrounding our operations.

Devon tracks specific metrics for GHG and methane emissions, flaring, spills, energy use and water use. We share this information in this report and other public disclosures to meet stakeholders’ expectations of transparency and accountability. For additional metrics and details on our environmental practices, please refer to our 2021 CDP Climate and CDP Water Responses.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations has established 17 Sustainable Development Goals (SDGs). They’re part of a globally agreed-upon action plan for organizations seeking to provide affordable energy, produced responsibly to protect the environment, while also promoting peace and prosperity for all people. In this report, we have identified a wide variety of Devon’s business activities that align with the U.N. SDGs. Here in the environmental section, look for:



Affordable and Clean Energy
page 16



Partnerships for the Goals
page 22



Clean Water and Sanitation
page 24



Life on Land
page 26

Taking Action



ENVIRONMENTAL LEADERSHIP

- Reduced Scope 1 and 2 GHG emissions 14% and methane emissions by 47% in 2020 compared to 2019.
- Reduced Scope 1 and 2 GHG emissions intensity 13% and methane emissions intensity by 47% in 2020 compared to 2019.
- Reduced flared volume intensity by 33% in 2020 compared to 2019.



AIR

- Issued our updated 2021 Climate Change Assessment Report aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- Set ambitious targets to further reduce the carbon intensity of our operations, minimize freshwater use and engage constructively with our value chain.



WATER

- Reduced the volume of total water consumed in completions activities - including fresh, non-fresh, and recycled water volumes - by 29% in 2020 compared to 2019.
- Increased the volume of recycled water consumed by 10% in 2020 compared to 2019.
- Since 2015, we have reused over 150 million barrels of water from our water treatment facilities.



PREPARING FOR THE FUTURE

- Elevated the importance of our environmental work by creating the new position of vice president of ESG and EHS.
- Integrated environmental professionals from both legacy companies into our Environmental, Health and Safety (EHS) Council, which started identifying environmental best practices and set corporate environmental goals for 2021 to reduce flaring intensity, increase voluntary equipment leak inspections and reduce our total spill rate.



Overview continued

Devon's new environmental performance targets

We're improving how we produce and deliver the oil and natural gas the world needs

NET ZERO

GHG emissions for Scope 1 and 2 by 2050

50%

Reduction in GHG emissions intensity for Scope 1 and 2 by 2030

65%

Reduction in methane emissions intensity by 2030

90%

Or higher non-fresh water usage for completions in our most active Delaware Basin operating areas

0.5%

Or lower flaring intensity by 2025

ELIMINATE

Routine flaring as defined by the World Bank by 2030

ENGAGE

Value chain in assessments of performance in key ESG areas by 2023

Increasing emphasis on governance

We have a strong organization in place to manage environmental performance, from our board of directors to our field-level EHS and operations teams. In recent years, we've updated our governance practices to elevate EHS oversight and discussions, including those related to climate change and the energy transition. In 2021, we recalibrated the Governance Committee to become the Governance, Environmental, and Public Policy (GEPP) Committee of the board to sharpen our focus on environmental policies and oversight of management's efforts to integrate sustainability into our business activities. The GEPP Committee also nominates candidates for our board, establishing a close connection between corporate governance and sustainability. As a component of executive compensation, environmental results included in our corporate goals are reviewed by the board's Compensation Committee. In addition, at least five Devon directors have an educational background or direct work experience in environmental matters.

At the executive level, Devon's executive vice president and chief operating officer (COO) is accountable for our environmental programs and performance. To further emphasize results, in 2021 Devon created the new position of vice president of ESG and EHS, reporting to the COO. We based this role on a similar one at WPX Energy as part of integrating best practices of both legacy companies.

Devon's governance structure includes the ESG Steering Committee that engages with our executive committee, the GEPP Committee and the full board on our environmental performance, risks, opportunities and commitments.

Operations ownership

Our EHS Council, made up of business unit and operations leaders, plays a lead role in protecting our social license to operate and advancing our culture of environmental stewardship. The council sets environmental strategy and goals, tracks performance and evaluates the effectiveness of our environmental policies, protocols and practices. The group also reviews environmental incidents and near misses, develops corrective actions as needed and shares best practices to continuously improve our environmental performance. Council members hold regular roundtable discussions with field production leaders to help them stay current with the rapid evolution of stakeholder expectations about climate change and environmental performance.

The Devon EHS Management System, developed by the council, includes an environmental management element covering assessments and continuous improvement programs. Our environmental professionals work closely with Devon business leaders to promote environmentally sound operations that comply with all applicable laws, regulations and company policies.

To position Devon for long-term success, the council reviews emerging EHS and ESG issues, as well as proposed laws and regulations and their potential financial, operational and reputational impact on the company.

In 2020, Devon met goals recommended by the EHS Council and set by the board, to improve our lost spill rate and fugitive emissions performance compared to 2019. Following our merger in January 2021, we integrated leaders from both legacy companies into our council and began assessing and

Collaborations for progress

Our corporate value to build relationships is vital to improving our environmental performance. We engage with a variety of stakeholders to understand their perspectives on climate change, water use, seismicity, spills and other environmental issues. Devon teams up with industry trade associations, environmental nonprofit organizations, academic partners and innovative businesses to develop solutions. We remain committed to listening, collaborating, increasing transparency and doing our part to protect the environment.



- Energy Water Initiative
- U.S. Bureau of Land Management
- New Mexico Oil and Gas Association
- The Environmental Partnership
- Stanford Center for Induced and Triggered Seismicity
- National Aeronautics and Space Administration
- New Mexico Soil Conservation District
- Mandan, Hidatsa and Arikara (MHA) Nation
- American Petroleum Institute (API)
- Columbia Center on Global Energy Policy
- And others

Overview continued

integrating environmental best practices of both legacy companies. We set 2021 EHS goals to further reduce flaring intensity, increase voluntary emissions inspections and reduce our total spill rate. Additional EHS team priorities in 2021 are to merge legacy company environmental management systems and concentrate our EHS team on leading indicators and critical initiatives like our newly established environmental performance targets.

Shared responsibility

Our values and operations standards reinforce the responsibility of each Devon employee and contractor to take ownership of environmental performance. We expect employees and contractors to demonstrate care for the environment, plan ahead, participate in environmental programs, recognize positive attitudes and behaviors, and communicate openly.

To underscore these expectations, Devon’s corporate scorecard includes annual environmental performance targets that affect every employee’s compensation. By meeting our targets for improving our lost spill rate and fugitive emissions in 2020, employees made a positive contribution to our EHS score and compensation.

We’re proud of the progress we’ve made in reducing air emissions, using less fresh water and more recycled water in our operations, preventing spills, protecting the land and improving transparency through reporting. But we know there’s more progress to be made and we’ll keep challenging ourselves to do better.

	2018	2019	2020
Environment Performance Metrics¹			
<i>*Unless otherwise noted, all data presented is pro forma (Devon + WPX) for U.S. operated assets.</i>			
Direct GHG Emissions (Scope 1) (million tonnes CO ₂ e) ²	4.72	4.65	3.91
By Constituent			
Carbon Dioxide (million tonnes CO ₂ e)	3.65	3.66	3.39
Methane (million tonnes CO ₂ e)	1.07	0.99	0.52
Nitrous Oxide (million tonnes CO ₂ e)	0.003	0.003	0.002
By Source			
Flaring/Venting (million tonnes CO ₂ e)	3.14	2.61	1.92
Combustion (million tonnes CO ₂ e)	1.37	1.84	1.95
Other (million tonnes CO ₂ e)	0.21	0.19	0.04
Indirect GHG Emissions from Electricity Use (Scope 2) (million tonnes CO ₂ e) ³	0.33	0.27	0.32
Direct and Indirect GHG Emissions (Scope 1 and 2) (million tonnes CO ₂ e) ^{2,3}	5.05	4.91	4.23
Direct GHG Emissions Intensity (Scope 1) (tCO ₂ e/MBoe) ²	20.19	17.22	14.61
Direct and Indirect GHG Emissions Intensity (Scope 1 and 2) (tCO ₂ e/MBoe) ²	21.60	18.20	15.81
Indirect GHG Emissions from Use of Sold Products (Scope 3) (million tonnes CO ₂ e) ^{4,5}	43	48	49
We report indirect emissions from the use of sold products on an equity basis from sources not owned or controlled by Devon; however, it is important to note that Scope 3 emissions estimates are subject to uncertainty, inconsistency and duplication as further described in the Air Emissions section of this report. In 2020, legacy Devon’s estimated Scope 3 emissions increased, driven by an increase in net equity production.			
Methane Emissions Intensity (Scope 1) (tCO ₂ e/MBoe) ²	4.58	3.65	1.94
Methane Emissions Intensity - Production Segment (Scope 1) (% of natural gas produced) ⁶	0.36%	0.31%	0.19%
Flaring Intensity (% of natural gas produced) ⁷	2.13%	2.21%	1.48%
Energy Used - Fuel and Electricity Use (trillion BTU) ³	28.98	32.87	31.36
Water Usage (million Bbl) ⁸	136.2	138.5	98.5
Recycled (million Bbl)	22.0	33.8	37.2
Sourced (million Bbl)	114.2	104.7	61.3
Water Usage Intensity (Bbl/Boe produced) ⁸	0.57	0.50	0.33
Water Usage Intensity (million Bbl/well completion) ⁸	0.25	0.25	0.29
Devon’s total water use for completions activities varies with activity levels, targeted formations and lateral lengths, and includes fresh, non-fresh and recycled water volumes. We seek alternatives to fresh water supplies, where possible.			
Reportable Spill Events Released to the Environment (events) ⁹	377	336	246
Reportable Spill Volumes Released to the Environment (barrels) ⁹	6,441	4,505	4,042

¹ The environment metrics have been calculated using the best available data at the time of publication. Historical metrics are subject to change as we continuously seek to improve our data management practices, data sources, and calculation methodologies in order to provide the highest level of transparency, consistency and accuracy. We report environment metrics on an operated basis, unless otherwise noted.

² We include all reportable emissions under EPA’s Greenhouse Gas Reporting Program (GHGRP) for Devon operated facilities, as well as non-reportable emissions from our production assets and, beginning in reporting year 2019, gathering and boosting assets. We calculate emission intensities using gross production as reported under the EPA GHGRP for all reporting segments.

³ We calculate our reported emissions using EPA fuel and electricity emissions factors.

⁴ We report indirect emissions from the use of sold products (Scope 3) on an equity basis from sources not owned or controlled by Devon. To estimate our Scope 3 emissions, we rely upon IPIECA’s 2016 guidance document Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. Per the IPIECA guidance, we report category 11 “Use of Sold Products” by calculating combustion emissions for our oil, natural gas and marketed natural gas liquids products using emission factors obtained from the EPA and net equity production reported in Devon’s 2020 Annual Report on Form 10-K.

⁵ Performance is limited to legacy Devon performance only using net equity production reported in Devon’s 2020 Annual Report on Form 10-K.

⁶ Our methane emissions intensity rate calculation includes all natural gas produced at Devon operated facilities and all methane emissions from Devon operated facilities associated with the production of oil and natural gas.

[Click here to see Devon’s calculation methodology for methane emissions intensity](#)

[Click here to see AECOM verification of calculation methodology](#)

⁷ Our flaring intensity rate calculation includes high-pressure flared volumes associated with the production of oil and natural gas.

⁸ Our water usage includes all water sources used in completions activities at facilities operated by Devon in 2020.

⁹ Reportable spill events and volumes exclude a well-control event that occurred in 2019.

 EXCEL DOWNLOAD



Climate Change

A responsible and resilient operator

TAKING ACTION

- Issued our **updated 2021 Climate Change Assessment Report aligned with the Task Force on Climate-related Financial Disclosure** (TCFD) recommendations.
- Set ambitious, **new target of achieving net zero GHG emissions** for Scopes 1 and 2 by 2050.

2021 CCAR

[LEARN MORE](#)



2021 CDP Climate Response *

[LEARN MORE](#)



* data reflects legacy Devon only

Devon is focused on producing reliable, affordable and accessible energy the world needs, while continuing to find ways to produce and deliver it more responsibly.

The world relies on oil and natural gas to power the basic systems of our daily lives – transportation, heating and cooling, lighting, manufacturing, agriculture, telecommunications and technology. Many of the products we use every day are made from plastics and compounds derived from oil and natural gas, which also fuel the machinery used to manufacture these materials.

At Devon, we're proud to find and produce these valuable commodities and improve our way of life. Through the work our employees do every day, we contribute to local, state, national and global economies. We also recognize that the economic benefits of our industry must be balanced with care for the environment. Devon is focused on delivering strong returns to our shareholders while continuously improving our environmental performance, with specific emphasis on climate change.

In its 2020 outlook, the U.S. Energy Information Administration (EIA) projects that oil and natural gas will continue to be leading sources of energy worldwide for decades to come. For example, in the transportation sector, gasoline and diesel fuel will account for 74% of total consumption in 2050.

Devon will continue to produce the oil and gas the world needs in a safe, environmentally responsible and ethical way, and disclose our results publicly. Earning our stakeholders' trust is important for the future of our business, so we'll continue to plan for the risks and opportunities ahead.

Assessing and reporting our climate change-related risks

Climate change-related risks receive formal and ongoing consideration in Devon's enterprise risk management process. The company regularly models numerous regional and macro-level scenarios – including acquisitions, divestitures and changes in regulations and market conditions – to test the strength of our portfolio and resources. Each year, the modeled scenarios inform the strategic decision-making of Devon's executive committee and board of directors that factors into Devon's long-range plan. We publicly reported on these risks in our third Climate Change Assessment Report, demonstrating our ongoing commitment to transparency.

Our updated 2021 Climate Change Assessment Report (CCAR) accounted for material changes to our portfolio since 2018, including the divestment of our Canadian and Barnett Shale assets, as well as closing the merger with WPX Energy. The 2021 report was prepared by Devon with support from third-party consultants and reviewed and approved by our board of directors. Devon retained ICF to help assess the company's oil and natural gas portfolio's resilience in the face of potential impacts of climate policy on oil, natural gas, and natural gas liquids (NGL) demand, production, and prices. During this assessment, Devon evaluated several possible future climate change scenarios to quantify the potential risks to the company's portfolio and long-range business plan from a possible carbon-constrained future. Devon evaluated pricing scenarios and model results from both ICF and the widely referenced International Energy Agency (IEA), including the IEA's 2020 Sustainable Development Scenario, which targets a rise in global temperatures to "well below 2°C" and "in which countries achieving net-zero emissions by 2050 spur the world as a whole to reach it by 2070."



Devon's approach to managing climate change risk

- Decrease the carbon intensity of our operations by reducing Scope 1 and Scope 2 GHG emissions to net zero by 2050, prioritizing the reduction of flaring and methane emissions.
- Disclose our progress and strengthen governance practice around climate change risk.
- Evaluate opportunities to create value in the transition to ever-cleaner forms of energy with thoughtful capital allocation.



Climate Change continued

In addition, Devon retained Global Affairs Associates, a ClimeCo Company to enhance the company's alignment to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), an international, multi-industry led initiative launched to develop recommendations for voluntary disclosure of climate-related risk. We report in alignment with TCFD to meet our stakeholders' expectations for reliable and meaningful disclosures.

The 2021 assessment determined that oil and natural gas will remain essential to meeting global energy demand, even in the carbon-constrained future scenarios. Additional conclusions included:

- Models indicate that Devon's portfolio of assets are likely to be resilient, even in various low-carbon scenarios.
- The changes to our portfolio since 2018 – exiting Western Canada and the Barnett and closing the merger with WPX Energy – have made the company more resilient in low oil and natural gas price scenarios.
- Devon's disclosure practices for the governance, management, and disclosure of climate-related risks and opportunities seek to align with the recommendations of the TCFD, and include continually assessing new guidance as it becomes available.

Ambitious emissions reduction targets

Devon addresses climate change-related risks proactively in our environmental, operational and governance practices. Our strategy relies in part on energy efficiency and conservation, which we believe are also the most immediate and cost-effective ways to reduce emissions. We actively seek out technology solutions and innovative techniques to enhance our efforts.

To reduce methane emissions, we establish voluntary, company-specific targets that go beyond regulatory requirements. Among our actions to meet the targets are investing in technology,



adopting new work practices and working creatively with stakeholders. To underscore our commitment, achieving our targets is a component of executive and employee compensation.

In 2019, we set a methane intensity target of 0.28% or lower by 2025, and then beat the target level in 2020. In June 2021, we reinforced our commitment to proactively manage climate-related risks and opportunities by establishing several additional environmental performance targets to limit GHG and methane emissions in our operations. These operational emissions performance targets are in line with leading industry practices and stakeholder priorities. These targets, endorsed by our board, are the following:

- Achieve net zero GHG emissions for Scopes 1 and 2 by 2050
- Reduce Scopes 1 and 2 GHG emissions intensity by 50% by 2030 (from a 2019 baseline)
- Reduce methane emissions intensity by 65% by 2030 (from a 2019 baseline)
- Achieve flaring intensity of 0.5% or lower by 2025 and eliminate routine flaring by 2030

As we strive to meet or beat these targets, Devon will continue to apply a wide range of advanced technologies and best practices, in tandem with increasing efficiencies, and is committed to providing transparent updates on our progress.

Devon closely monitors possible business impacts of climate change in the market and policy arenas, and we're prepared to adapt as needed. We're committed to ongoing dialogue with our board of directors, shareholders and other stakeholders about our climate change-related risks and opportunities. Our industry will play a pivotal role in delivering global energy for generations to come, and Devon is embracing change to be part of that future.



Air Emissions

Targets, technology and transparency

TAKING ACTION

- **Reduced Scope 1 and 2 GHG emissions 14% and methane emissions by 47% in 2020** compared to 2019.
- **Reduced Scope 1 and 2 GHG emissions intensity 13% and methane emissions intensity by 47% in 2020** compared to 2019.
- **Reduced flared volume intensity by 33% in 2020** compared to 2019.
- Set **new, aggressive targets** to lower the carbon intensity of our operations:
 - Net zero GHG emissions for Scopes 1 and 2 by 2050**
 - 50% reduction in Scope 1 and 2 GHG emissions intensity by 2030**
 - 65% methane emissions intensity reduction by 2030**
 - Flaring intensity of 0.5% or lower by 2025 and eliminate routine flaring by 2030**
- Completed installation of remote surveillance technology in our Powder River Basin operations, which contributed to **reduced flaring and other positive environmental performance outcomes.**

Devon is committed to decarbonizing our operations, evaluating new opportunities and transparently reporting our results. We're doing our part to be a responsible operator for the benefit of the environment, our employees and their families, our communities, our shareholders and our business – today and in the future.

Reducing the carbon intensity of our operations starts with proactively controlling and reducing air emissions from our operations. Our long-standing commitment to reduce air emissions, particularly GHGs, is embedded in our culture through our Environmental, Health and Safety (EHS) Philosophy and our core values to earn stakeholder trust, proactively manage risk and not miss a chance to improve. We collaborate within and outside the company to apply technology, best practices and tools to reduce our impacts on the air.

Devon focuses on reducing operational emissions of GHGs such as carbon dioxide (CO₂) and methane, as well as volatile organic compounds (VOCs), nitrogen oxide (NO_x) and other gases, and on reporting our results. To continue our progress, Devon announced in June 2021 that we've set aggressive targets to lower the carbon intensity of our operations and outlined our approach to managing climate-related risks and opportunities in our updated 2021 Climate Change Assessment Report. We're taking these actions not only to lower regulatory, market and reputational risk, but also because we believe it's the right thing to do. Ultimately, we believe protecting the air makes our business more sustainable.

Air emissions performance management

To comply with all applicable federal and state laws and regulations, we invest in the latest equipment and deploy well-trained employees and contractors to carry out our emissions reduction programs. Devon's environmental work includes an air quality protocol that clearly defines responsibilities and requirements for communications, compliance, recordkeeping and training.

Because air emissions programs and results are so important to our overall performance, Devon's Environmental, Social and Governance (ESG) Steering Committee monitors our performance in the context of the evolving regulatory, legal and stakeholder landscape. The steering committee advises our senior leaders on issues for consideration in enterprise risk management, stakeholder engagement and regulatory and legal compliance.

The vice president of ESG and EHS, a new role at Devon, elevates our company-wide focus on ESG performance, including air emissions. This leader serves on both the ESG Steering Committee and the cross-functional EHS Council, providing continuity and alignment. The EHS Council sets Devon's emissions reduction strategy, in close coordination with the vice president for ESG and EHS, the ESG Steering Committee and senior leaders for effective implementation of the strategy.

Committed to compliance

Compliance with all applicable federal and state environmental laws and regulations is central to our EHS Philosophy and the Devon Code of Business Conduct and Ethics. Our compliance process guides employees on meeting the requirements of Devon's air permits in our operating areas, with the aid of a web-enabled database that quickly distributes requirements for new and modified air permits to the people directly responsible for compliance.

Devon facilities and equipment may at times emit VOCs, NO_x and other gases that are subject to state permits or emissions authorization limits. We pursue full compliance by clearly communicating requirements to our operating facilities. Some Devon facilities are subject to annual emissions inventories, which we submit to the appropriate regulatory agencies. In states where these inventories are required, the information is publicly available. If issues arise, we work expeditiously and constructively with regulators to address them.

As a proactive operator, Devon will keep looking beyond compliance to continue reducing our air emissions.



Air Emissions continued

Greenhouse gas emissions methodology and performance

Devon reports GHG emissions from fuel combustion, flaring, fugitive emissions, venting and storage losses (Scope 1) and electricity consumption (Scope 2) for assets under our operational control. We collect data on GHGs (carbon dioxide (CO₂), methane and nitrous oxide) and submit annual GHG emissions according to the requirements of the U.S. Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program.

We also report indirect emissions from the use of sold products (Scope 3) on an equity basis from sources not owned or controlled by Devon. Scope 3 GHG emissions include indirect emissions resulting from the consumption and use of Devon's crude oil and natural gas production.

To estimate our Scope 3 emissions, we rely upon IPIECA's 2016 guidance document, Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. According to the IPIECA guidance, category 11 "Use of Sold Products" is generally the largest contributor of Scope 3 emissions for a fuel-producing company and can account for more than 80% of a company's total Scope 3 emissions. We report "Use of Sold Products" by calculating combustion emissions for our oil, natural gas and marketed natural gas liquids products.

It is important to note that Scope 3 emissions estimates are subject to uncertainty, inconsistency and duplication due to the reporting of assets outside the control of the reporting company and various reporting methodologies. In addition, two or more companies will account for the same emissions within their Scope 1, 2 or 3 emission inventories (as further described in the IPIECA guidance document).

As an exploration and production company, Devon has no direct control over how the raw materials we produce and sell are ultimately consumed. For this reason, we are committed to and focused on Scope 1 and 2 emissions for assets under our control, where we can most directly and meaningfully effect emissions reductions. We will continue to evaluate ways in which we can reduce value chain emissions and engage constructively with stakeholders upstream and downstream of our production operations.

To be a good steward of the environment, we hold ourselves accountable for delivering visible, measurable results on our environmental performance. In 2020, our emissions performance improved year over year:

- GHG and methane emissions
- GHG emissions intensity
- Methane emissions intensity (in both tCO₂e/MBOE and % of natural gas produced)
- Flaring intensity
- Facility emissions inspections performed with passing results (89%) improved 3%



Devon's approach to reducing air emissions



Set targets to drive continuous performance improvements



Apply technology and best practices to reduce GHG and methane emissions at their source and to mitigate impacts



Increase transparency in alignment with TCFD recommendations

Air Emissions continued

New, aggressive emissions reduction targets

Devon established our first voluntary target to limit methane emissions from our oil and natural gas production operations in 2019. We pledged to reduce our methane intensity rate to 0.28% or lower by 2025. Through the expansion of our leak detection and repair (LDAR) program and enhanced data precision efforts, legacy Devon met this target level in 2019 and the pro forma combined company beat the target level in 2020 with 0.19%. We continue to put efforts toward further reductions and in June 2021 established new, aggressive emissions reduction targets.

The ambitious new targets reflect our commitment to continue lowering our carbon impact, while producing the oil and natural gas that will be needed for decades to come. Devon established the following goals:

Our reported emissions can fluctuate from year to year due to changes to our production mix, asset portfolio and other factors. To consistently meet or beat our targets from year to year, we must continue to pinpoint emissions sources and apply technologies and work practices to these sources beyond what’s required by regulations.

Achieve net zero GHG emissions
for Scopes 1 and 2 by 2050, primarily through continued use of advanced technologies.

Reduce Scopes 1 and 2 GHG emissions intensity by 50%
and methane emissions intensity by 65% by 2030 from a 2019 baseline, by expanding our LDAR program, implementing advanced leak detection technologies, reducing flaring volumes and other means.

Achieve flaring intensity of 0.5% or lower of gross natural gas produced by 2025
and eliminate routine flaring by 2030, mainly by implementing best practices, deploying beneficial reuse technologies and preventing and mitigating midstream and downstream capacity constraints.

How we calculate our GHG and methane emissions intensity rates

We calculate our direct (Scope 1) GHG and methane emissions by including all emissions reported to the Environmental Protection Agency (EPA) pursuant to the Greenhouse Gas Reporting Program (GHGRP) for production and gathering and boosting assets under our operational control, as well as emissions subject to the GHGRP that fall below the basin-level reporting threshold.

GHG Emissions Intensity

=

SCOPE 1 & 2 GHG EMISSIONS (tonnes CO₂e)

GROSS OPERATED PRODUCTION AS REPORTED TO THE EPA (MBoe)

Our baseline recalculation methodology

Devon’s commitment to reduce our Scope 1 and 2 GHG emissions intensity by 50% and methane emissions intensity by 65% by 2030 will be calculated from a 2019 baseline.

This baseline serves as a hypothetical reference point for what the emissions intensity would have been in the absence of emissions reduction efforts over time. To comparably track progress toward the targets, adjustments to the emissions baseline may be necessary to reflect structural, organizational, or reporting changes that may occur over time. For example, an acquisition or divestiture could significantly impact our emissions performance and impair comparability from the emissions baseline.

We relied upon guidance from the Greenhouse Gas Protocol and IPIECA in establishing our baseline recalculation methodology. Our baseline will be adjusted if impacted by one or more trigger events

We calculate our indirect (Scope 2) GHG emissions for electricity consumption using EPA fuel and electricity emissions factors for assets under our operational control.

Methane Emissions Intensity

=

METHANE EMISSIONS (tonnes CO₂e)

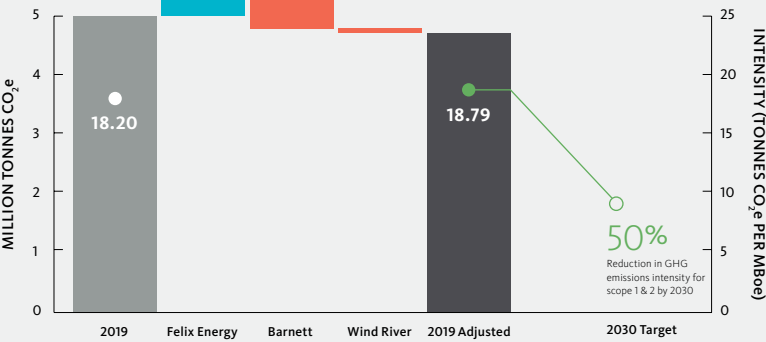
GROSS OPERATED PRODUCTION AS REPORTED TO THE EPA (MBoe)

that result in a change to the emissions baseline of 5% or higher on an absolute or intensity basis. Trigger events include structural changes; source ownership or control changes; changes to reporting boundaries, quantification methodologies or data improvements; or discovery of errors.

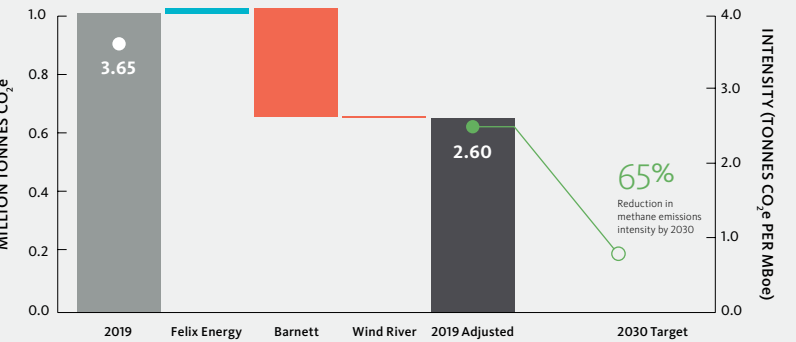
Our 2019 baseline has been recalculated to reflect the divestiture of the Barnett Shale in 2020, divestiture of the Wind River Basin in 2021, and acquisition of Felix Energy in 2020.

We believe our recalculation methodology affirms our commitment to structurally drive down emissions, rather than divesting assets as a means to achieve our ambitious emissions reduction targets. We are committed to the ongoing review and assessment of the appropriateness of our emission reduction target levels and will adjust as needed.

GHG Emissions



Methane Emissions





Air Emissions continued

Mitigating air emissions at the source

Our continuous improvement culture has prompted us to develop a detailed understanding of where our emissions come from. This makes it possible to address our air emissions at the primary sources through a variety of effective mitigation strategies:

- Reducing flaring — across our entire portfolio of producing assets
- Finding and fixing equipment leaks with our expanding leak detection and repair (LDAR) program
- Transitioning to air-driven pneumatic controllers
- Cutting combustion from drilling, completions and production by increasing the use of engines powered by electricity and alternative fuels
- Minimizing venting and flaring from storage tanks

We conduct ongoing evaluations into emissions detection and quantification technologies, and we collaborate with industry, environmental groups and agency partners on emissions reduction strategies. Through focused effort in 2020, Devon continued our record of progress in lowering GHG emissions.

Flaring: Sustainable improvements

Flaring of natural gas – a controlled ignition process for eliminating emissions of methane and VOCs – is necessary for safe operations in various phases of the oil and natural gas production process. Devon strives to avoid entirely the venting of raw gas, and to limit flaring to the extent possible at all locations. Reducing flaring is a priority in our broader emissions reduction strategy because we want to protect the environment and capture as much natural gas as possible for its economic value, while also complying with laws, regulations and permits.

We continually evaluate and optimize our facilities, including installing reliable pressure-relief valves to minimize tank releases and vapor recovery equipment to capture flash gas emissions and route them to a pipeline. The company also uses “green completions” to capture produced natural gas following hydraulic fracturing. Where flaring is unavoidable, pilot monitoring equipment is installed to help ensure the gas is properly combusted.

Devon has improved our flaring performance over the last six years, particularly in the Delaware Basin, our highest-activity operating area. We identified wellhead flaring due to insufficient natural gas takeaway capacity or midstream constraints as the primary driver of flaring in the Delaware Basin and set out to mitigate the situation. We stopped routine flaring in this region in 2017, only connecting and producing wells when gas takeaway is established. We flare only when experiencing system upsets or midstream or downstream constraints. We took effective action in 2019 to curtail these issues in the Cotton Draw field that accounted for most of our flared volumes in the Delaware Basin (see sidebar).

After seeing significant improvement in late 2019, we continued making progress in reducing our flared volumes. In 2020, legacy Devon flared 0.2% of gross natural gas produced, an improvement of more than 70% from 2019. The reduction was due in large part to alleviating capacity constraints in the Cotton Draw field, but also to concerted efforts across our organization to reduce flaring.

While the industry has faced ongoing capacity constraints in the Williston Basin, our legacy WPX operations in the basin continue to improve our flaring performance. Legacy WPX flaring volumes were down nearly 30% in 2020 compared to 2019, and we continue to evaluate and employ improvement methods in the Williston Basin to drive down flaring. Following the merger, the EHS Council identified the need to integrate flaring data from both legacy companies as a top priority as we began to pursue further performance improvements in 2021. Overall, our flaring intensity improved from 2.2% in 2019 to 1.5% in 2020, an improvement of 33%.

Our updated targets are to achieve flaring intensity of 0.5% or lower of gross natural gas produced by 2025 and to eliminate routine flaring, as defined by the World Bank, by 2030. We expect to drive results by continuing to employ best practices that have proven to be effective for reducing flared volumes and minimizing emissions.

We’ve been expanding these best practices across our operating areas. They include implementing a flare management program; continuous gas capture planning and collaboration with midstream partners; enhancing separation and compression reliability; choke management; pigging lines; and optimizing combustion. We’re also sharing these practices with our trade association partners because we believe it’s crucial that we work together to reduce flaring and air emissions across the industry. Devon will continue to look at a broad spectrum of opportunities to reduce flaring and related emissions to meet our targets.



Reducing flaring and monetizing natural gas in our highest activity basin

In 2019, the Cotton Draw field accounted for most of our flared gas volumes in our Delaware Basin operations. Upon investigation, we pinpointed wellhead flaring due to insufficient takeaway capacity or midstream constraints as the primary cause.

To drive down these upset conditions, Devon took ownership of the associated midstream gas compression equipment. We made operational refinements, upgraded compressors, adjusted the flow rates of some wells and shut in others. As a result, our flared volumes in the Delaware Basin declined from about 4% in mid-2019 to less than 0.5% by year-end 2020.

We also made a multi-year commitment to our newly formed Cotton Draw Midstream partnership, agreeing to contribute our existing gas gathering and compression infrastructure in an area of mutual interest. We dedicated about 24,000 acres for gathering and compression on the partnership’s system, while our partner, QL Capital Partners (QLCP), agreed to fund a \$100 million distribution to Devon to build out the Cotton Draw Midstream assets over the next several years.

Devon is positioned to continue reducing gas flared volumes and associated carbon emissions as we work toward our 2030 intensity reduction targets for Scopes 1 and 2 GHG emissions and methane emissions. It’s also good for business, allowing us to capture more natural gas in the field that we can put into pipelines to be sold.



Air Emissions continued

Equipment leaks: LDAR program continues to grow

Using infrared cameras to detect leaks is one of Devon’s primary emissions mitigation tactics. LDAR has proven to be effective at finding equipment leaks from piping components and associated equipment. It was a major contributor to achieving our first methane intensity target well ahead of schedule and we’re expanding the program to help us reach our new target to reduce methane intensity by 65% by 2030 from a 2019 baseline.

Devon utilizes optical gas imaging (OGI) cameras to perform frequent equipment inspections to detect leaks. We initially prioritized facilities with the highest production volumes across our operating areas. By methodically identifying and fixing leaks, we’ve largely resolved our highest-risk issues and reduced our methane emissions over time.

We have steadily and voluntarily expanded our LDAR program, in part by adding valves, pumps and other equipment into our camera surveys. We also continue to survey additional facilities that don’t currently have a federal or state regulatory requirement.

Environmental operators in each Devon business unit focus primarily on conducting infrared camera surveys at our sites and then making sure repairs are successful. Based on LDAR data, we have progressively refined our proactive maintenance programs by identifying the equipment most likely to develop leaks. This led us to install thief hatches that have a lower leak rate and focus on specific equipment failures and settings. It also enabled us to improve flare maintenance and verify performance of vapor recovery units (VRU).

We continue to learn from the LDAR data we collect and then refine best practices in facility design, equipment improvements and preventive maintenance to further reduce emissions from our facilities. For example, we conduct engineering and pre-startup reviews of facilities and take other steps to help verify closed-vent systems and control devices are designed and properly installed.

Devon builds on these improvements by setting annual corporate goals for fugitive emissions performance. In 2020, legacy Devon and legacy WPX both met our corporate goals for fugitive emissions performance. At legacy Devon, our passing rate (i.e. no leaks detected) for equipment inspections improved 3% year over year, from 86% in 2019 to 89% in 2020. The higher passing rate shows we’re continuously making improvements in equipment design, operation and maintenance, based on what we’re learning from LDAR data.

To further reduce emissions from equipment leaks, in 2021 we’re expanding our voluntary LDAR program to more facilities and doing equipment retrofits for compliance or voluntarily.

To help our administrative offices meet the regulatory requirements for LDAR inspections, our environmental and operations teams developed a mobile app to capture, enter, track and document LDAR survey findings. The app automatically syncs any needed repairs, creates work orders and documents successful repairs, all of which are required for compliance. This has resulted in a more efficient, consistent and systematic LDAR program.

Evaluating emerging technologies for leak detection

Advanced emission detection and quantification technologies are evolving rapidly and will be a key component of our strategy for broader emissions reductions. Devon has a cross functional team that evaluates emerging technologies that have the potential to be more effective at finding leaks over broader areas, allowing for faster detection and mitigation. The team is investigating opportunities for advanced optical gas imaging, continuous monitoring, and remote detection using facility flyovers and satellites. We’re currently conducting multiple continuous monitoring pilot projects, including laser-based monitoring over an area of several miles with LongPath Technologies and onsite sensor-based monitoring through our collaboration in Project Falcon.

Following a successful pilot, remote surveillance capabilities are now fully functional in our Powder River Basin operations in Wyoming. We also have ongoing installations of remote surveillance in each of our operating areas. Cameras, infrared sensors and our SCADA (supervisory control and data acquisition) system allow us to remotely monitor our well pads and some saltwater disposal facilities. With realtime, higher-quality data and imagery, we can proactively identify issues with flares and other equipment before they

become problems. These technologies allow us to monitor operations without people going to the locations every day, which reduces vehicle-related emissions and safety risk for our workforce. Since remote surveillance started in the Powder River, our flaring, spills, downtime, overtime and lifting costs there have declined. We believe these technologies are in part responsible for improved lagging and leading metrics in the basin.

In addition, Devon collaborates with industry peers and a diverse group of stakeholders, including government agencies and environmental groups, to understand and find solutions to reduce air emissions. For example, we participated in a marginal well study backed by the U.S. Department of Energy (DOE), we were part of an industry panel studying methane regulations in New Mexico, and we are a foundational sponsor of Veritas - a methane measurement and verification initiative led by the Gas Technology Institute that aims to demonstrate emissions reductions in a consistent, credible and transparent way. Sharing what we know and learning from stakeholders is consistent with our corporate value to build relationships in the process of improving our environmental performance.

Devon facility inspection performance

(excludes Barnett Shale assets divested in October 2020)

	2020
Total number of facilities inspected	1,805
Number of facilities with a federal/ state regulatory inspection requirement	855
Number of voluntary facilities inspected	950
Percent of total facilities inspected	78%
Facility inspection passing rate	82%



Air Emissions continued

SUSTAINABLE DEVELOPMENT GOALS

United Nations member states adopted 17 Sustainable Development Goals in 2015.

At Devon, we value our partnerships with public and nonprofit entities in pursuit of our goal to be a responsible operator. We count on strong partnerships to deliver on our commitments and contribute positively to the development of the communities where we operate, as well as share research and knowledge that help advance best practices in the energy sector.



Pneumatic devices: Transitioning to air-driven controllers

Since identifying gas venting from approximately 13,000 natural gas-driven pneumatic controllers and pumps at nearly 2,000 production sites, Devon has worked to mitigate this source of emissions. We replaced high-bleed natural gas pneumatic controllers on hundreds of wells in Wyoming, Oklahoma, New Mexico and Texas, and we no longer use them on new wells. In the Delaware Basin, legacy Devon installed air-driven pneumatic pumps and controllers at all new facilities since early 2019.

Combustion: Replacing diesel-only engines

Diesel motors powering drilling rigs and hydraulic fracturing operations can be a significant source of emissions. Devon has cut these emissions, reduced related noise and shrunk our operational footprint by replacing diesel-only engines with dual-fuel motors that run on diesel or compressed natural gas (CNG), liquefied natural gas (LNG), field gas or electricity. In the legacy Devon drilling operations in 2020, about 54% of our wells were drilled with rigs running on dual-fuel or electricity. This avoided an estimated 15,700 metric tonnes of CO₂ from 1.4 million gallons of diesel equivalent.

Electrification will be a key part of our strategy to meet our new targets for Scope 1 and 2 emissions. We seek to plan effectively so we can get grid power to our locations before drilling rigs arrive. Devon also is looking to identify other types of equipment and practices we can power with electricity in the future to avoid using diesel fuel.

Storage tanks: Reducing venting and flaring

To reduce venting or flaring from oil and condensate storage tanks, we install vapor recovery towers (VRT) to maximize gas recovery and minimize the volume of tank vapors that need to be flared. In 2021, we successfully piloted a low-emission storage tank design that further maximizes gas recovery, eliminates the need to flare tank vapors during normal operation and minimizes emissions through a reduction in the number of potential leak sources, as well as components that can lead to common equipment failures, including open thief hatches.

To meet our ambitious emissions reduction goals, using multiple, proactive strategies is more important than ever. Devon continues to pursue a wide range of GHG and methane emissions mitigation tactics.

- Building out Delaware Basin midstream assets to alleviate capacity constraints that exacerbate flaring
- Expanding our LDAR program
- Evaluating and implementing emissions detection and quantification technologies
- Installing air-driven pneumatic pumps and controllers in our production operations
- Increasingly replacing diesel engines with dual-fuel or electric engines
- Electrifying our drilling operations
- Collaborating with industry, nonprofits and government agencies
- Improving our data precision and reporting methodologies
- Installing remote surveillance technologies

Improving our industry



Devon is a founding member and current steering committee member of The Environmental Partnership, a voluntary coalition of oil and natural gas companies operating across the U.S. Since forming in 2017, the partnership has grown to more than 90 companies that commit to collaborating, learning about best practices and technologies, and taking action to improve the industry's environmental performance.

Since 2018, the group has focused on reducing the industry's air emissions, including methane and VOCs, through environmental performance programs including leak detection and repair, eliminating the use of high-bleed pneumatic controllers and improving the manual liquids unloading process. Selected based on EPA emissions data, these programs use proven, cost-effective controls.

The Environmental Partnership continues to expand and adapt its programs to strengthen the industry's voluntary efforts to improve environmental performance over time. In 2020, the Partnership not only expanded to include the midstream segment, but it also launched a new flare management program focused on reducing flaring in upstream operations. The new program, development of which was chaired by Devon, will advance best practices to reduce flare volumes, promote the beneficial use of associated gas, and improve flare reliability and efficiency when flaring does occur.

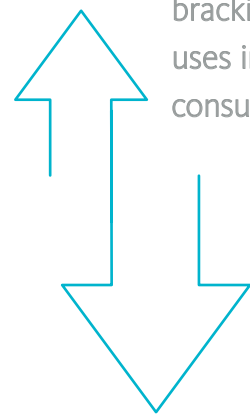


Water Management

Conservation and recycling

TAKING ACTION

- Continued to **increase use of recycled and brackish water in the Delaware Basin of New Mexico**, our highest-activity area.
- Reduced water usage 29% in 2020** compared to 2019.
- Increased** the volume of **recycled water consumed by 10% in 2020** compared to 2019.
- Established a target to advance water recycling activities and **use 90% or more non-fresh water for completions activities** in the most active operating areas within the Delaware Basin.



Every gallon of produced, recycled brackish or non-potable water Devon uses in our operations reduces our consumption of fresh water.

Water is vital to the health, social and economic well-being of our communities and is an essential resource for Devon’s operations. We’re committed to conserving fresh water and reusing water in our operations to be a good neighbor and an environmentally sound operator, as well as to mitigate physical risks associated with regional water stress.

Our operations depend on reliable access to, and the ability to safely dispose of, water used or produced in drilling and completions operations. We strive to execute a water management strategy that balances environmental, economic, operational and social needs. Our track record of water conservation goes back to 2004, when we began recycling water in the Barnett Shale in north Texas. Since then, we’ve collaborated with government, industry and community stakeholders to find innovative ways to conserve water in our drilling and completions operations companywide.

Devon works to identify and develop alternative sources of water for operational activities and has invested significant capital to reduce our reliance on fresh water. Using less fresh water also reduces the amount of water for disposal, saves money, creates efficiencies and improves our ability to respond if water availability or disposal capacity is constrained. To conserve, we strive to use water that is not suitable for drinking and other public uses and, wherever possible, we use recycled produced water in our drilling and production activities. We take these steps because they’re the right thing to do for the environment and our communities.



Water management strategy

Water supplies are limited in some of Devon’s operating areas. Based on the World Resources Institute’s definition of baseline water stress, approximately 8% of legacy Devon’s operated wells are located in areas of “high” or “extremely high” baseline water stress. To mitigate physical risks of regional water stress, we conserve, reuse and recycle as much water as we can.

We consider water availability and disposal options in our enterprise risk management process and in our daily planning, along with other environmental, health and safety (EHS) risks. Devon’s EHS Council and subject matter experts monitor laws, regulations and stakeholder concerns related to water and keep our leadership team well informed.

Guided by our EHS Philosophy, we employ economically and operationally feasible alternatives to fresh water. To execute a sustainable water management strategy, Devon follows the water principles of stakeholder engagement, water management planning, technology evaluation and deployment, and best practices development.

Our local water management activities are overseen by business unit leaders and subject matter experts who have a deep understanding of local water issues, challenges and opportunities. Devon’s water planning efforts include evaluating the potential risks to our operations in each area, stakeholder needs and potential opportunities for our business. We update our water plans periodically to account for business needs and local environmental considerations.

To enhance our water management performance, Devon stays abreast of new technologies and best practices, often through collaboration. We’re a founding member of the Energy Water Initiative and an active participant in the New Mexico Produced Water Research Consortium. Devon continues to study, communicate and improve lifecycle water use and management together with other oil and natural gas companies that share our commitment to conservation.

Water Management continued

Recycling in our highest-activity basin

As the first company to recycle flowback and produced water from natural gas wells in north Texas, Devon is an industry pioneer in recycling. We became one of the leading recyclers of treated produced water in New Mexico and led the effort to establish state rules to encourage the practice. Today, our recycling efforts are focused in the New Mexico Delaware Basin, where water scarcity is an issue.

Devon uses fresh water in the Delaware Basin only for blending and only when recycled and brackish sources of water aren’t sufficient.

In 2020, reused and brackish water accounted for more than 90% of the water legacy Devon used in our Delaware Basin operations, up from over 80% in 2019. The legacy companies

combined used approximately 37 million barrels of reused and recycled water in 2020 and expect to increase our volume of reused and recycled water to an estimated 47 million barrels in 2021. Since 2015, we have reused over 150 million barrels of water from our water treatment facilities. Our water recycling strategy also includes connecting third-party supplies to our system, which increases the volume of recycled water available for our operations.

Integral to operations and saving water, Devon built impoundment basins to store the reusable water. The basins are connected by a local pipeline network that diminishes the need to haul water away by truck. Taking trucks off the road reduces emissions and traffic safety hazards.

In addition, we’re looking for ways to reuse produced water that we don’t need for our operations. Through the New Mexico Produced Water Research Consortium, we’re exploring beneficial reuse opportunities, including technologies to desalinate produced water for uses outside of the oil and gas industry. In cases where we produce more water than we can use, cost-effective desalination

could make the water suitable for aquifer recharge and other beneficial uses. This would require development of the regulatory framework for reusing desalinated produced water, which is why we continue to work with stakeholders to find water conservation solutions in New Mexico.

Local water management considerations

As part of our local approach to water management, we consider the availability and quality of water, local ecosystems and habitats, regulations and other factors.

Given our commitment to be a good neighbor, we actively seek alternatives to fresh water, including brackish water and flowback and produced water for well completions where feasible. We will continue exploring conservation efforts outside of the Delaware Basin.

SUSTAINABLE DEVELOPMENT GOALS

United Nations member states adopted 17 Sustainable Development Goals in 2015.

Devon recognizes the importance of responsible water management in a world that faces increasing drought conditions and water stress. Water is a local issue and Devon takes a local approach, creating management plans that take account of water availability, quality, regulation and dependence of native ecosystems. We look for innovative water sources and methods to reduce usage. Through our New Mexico Delaware Basin treatment facilities, we have reused 150 million barrels of water since 2015. We are also exploring beneficial uses of produced water and technologies such as desalination to repurpose produced water for uses outside our industry – including potentially recharging aquifers.



2021 CDP Water Response

For more details on Devon’s water management program and water metrics



Total Water Usage by Operating Area (million Bbl)

	2019	2020
Delaware Basin	89.0	83.8
Anadarko Basin	20.5	0.7
Eagle Ford	13.1	1.8
Powder River Basin	5.9	5.0
Williston Basin	10.0	7.2
Total U.S.	138.5	98.5



Land Conservation and Biodiversity

Minimizing and mitigating our impacts

TAKING ACTION

- **Formed our Biodiversity Council** to establish enterprise-wide biodiversity processes, policies and targets with the intent to avoid, minimize and mitigate the impact of our operations on native species and their habitats.
- Focusing on **reducing the size of future well pad footprints** to be no larger than required to operate our rigs safely and mitigate disturbance.

In keeping with our guiding principle of environmental stewardship, Devon is committed to minimizing our operational footprint and impacts to the landscape, wildlife and their habitats, and cultural and historical resources. We operate in prairies, grasslands, deserts and forested areas, and on federal, state, tribal and private lands. To preserve our shared landscapes for future generations, Devon's priority is to cause as little disruption to the land as possible and mitigate any impacts throughout the oil and gas production lifecycle. We also look for opportunities to reclaim lands near our operations after our work is complete.

Biodiversity management is integrated into our process for selecting the placement of our well pads, access roads and pipeline corridors.. We start by doing an onsite or desktop pre-construction environmental assessment to evaluate potential environmental impact in an area where we've staked out a well pad location. The assessment helps identify threatened and endangered species habitats, wetlands, water bodies and other sensitive environmental areas. By evaluating the results of this assessment before building the pad, our teams can determine if there are environmental concerns at the site and adjust as needed.

To build on our progress, we're boosting our efforts to reduce pad size as much as possible on future projects. Our regulatory and land team, facilities group and land survey subcontractors are collaborating to make our pad footprints no larger than required to operate our rigs safely.

Land stewardship partnerships

Protecting the land involves building relationships with landowners, neighbors, industry groups, and state and federal agencies such as the U.S. Bureau of Land Management (BLM). In the New Mexico Delaware Basin, Devon is working with the BLM wildlife department to address water troughs or drinkers and raptor nests by placing artificial nests in a more suitable area for the birds that use them. The result will be a more permanent, quality nesting place and limited movement of well pads near active nests to further protect the species from our planned activity. In addition, our past work with the BLM and U.S. Fish and Wildlife Service produced public-private conservation agreements to avoid certain areas and reclaim Dunes Sagebrush Lizard habitat that may have been affected by past oilfield activities.



Moving well pads to avoid impacts

In New Mexico

When an environmental assessment indicated the presence of cultural resources near our Ross Draw projects on federal lands in New Mexico, we changed our plans. Two of five pads were relocated, and some pads were removed from consideration to avoid impacts to nearby cultural resources. In addition, a proposed pad was moved to avoid potential impacts to a sensitive geological feature known as a karst.

In North Dakota

On the Dakota pad project in North Dakota, the environmental review process revealed a large, occupied Dakota skipper butterfly habitat spread across a proposed pad location. We abandoned the proposed pad location to avoid impacting the habitat for the butterfly, which is listed as threatened under the Endangered Species Act.

The remaining choice for a suitable well pad site was located near an active bald eagle nest. Working extensively with the MHA Nation on the Fort Berthold Indian Reservation, we developed the Dakota project to avoid disturbance to the nearby bald eagles. Steps taken included maintaining at least a 1,050-foot buffer from the nest, lowering the elevation of the facilities and planting 65, 8-foot-tall trees. Additionally, we initiated construction on the location outside of the nesting period for the bald eagles to further limit potential disturbance.

Before building a well pad, Devon's ecological experts complete an environmental assessment to identify potential impacts based on:

- Proximity to waters of the U.S.
- Protected species or critical habitats
- Proximity to public receptors
- Location of nearby floodplains
- Sediment discharge to a water body
- Evidence of pre-existing contamination
- Environmentally sensitive receptors



Land Conservation and Biodiversity continued

Conservation initiatives

We're committed to leaving the land in the same or better condition as when we arrived. Our newly formed Biodiversity Council will work to develop and implement company-wide policies and targets that support our strategy to avoid, minimize and mitigate ecological impact. The council's core team has over 70 years of collective experience in ecological planning for energy development projects. Additionally, the council will explore opportunities to enhance the biodiversity value of Devon-owned surface acreage.

In the Texas Delaware Basin, we're assessing surface acreage to identify areas for ecological restoration and enhancement projects, with a focus on the Pecos River. We're also assessing other Devon-owned surface lands in Texas, Oklahoma and other states to determine whether the biodiversity value of those properties can be enhanced. We participate in species-specific efforts like Candidate Conservation Agreements for Texas Hornshell and Lesser Prairie Chicken. We also partnered with the New Mexico Soil Conservation District to restore native desert prairie grasslands to parts of the surface lands we own in Texas.

Wyoming public land projects

Since its inception in 2007, we've sponsored the Wyoming Conservation Corps (WCC) to engage college students in their education, including hands-on conservation work around the state. Each year, WCC students spend 10 days completing land stewardship projects that the BLM has identified as necessary yet lacks the resources to undertake. While Devon sponsored the WCC crew in 2020, COVID-19 prevented us from hosting our traditional volunteer day for students. We participated in the 2021 WCC project with the Casper BLM office.

Since 2016, our BLM partnership has included a program to plug and reclaim idle coalbed methane natural gas wells, remove the associated overhead powerlines, and reclaim nearby roads and pipelines. By year-end 2020, we had plugged and reclaimed 370 idle wells representing thousands of acres of restored landscape in the Wyoming Powder River Basin.

The Public Lands Foundation recognized our leadership and vision with its Landscape Stewardship Certificate of Appreciation in 2019, making Devon the only oil and gas company to ever receive the award.

Respecting indigenous peoples and lands

In our Williston Basin business unit in central North Dakota, nearly all of our operations are located on the Fort Berthold Indian Reservation. The reservation is the home of the Mandan, Hidatsa and Arikara (MHA) Nation, also known as the Three Affiliated Tribes.

As the largest lessee of minerals owned by the MHA Nation, Devon incorporates the representatives of the MHA Nation into the planning process for our new pads and associated infrastructure. We avoid impact to archaeological sites and traditional cultural properties, and we mitigate impact to sensitive wildlife habitat. Continued collaboration and mutual respect for people and the environment is our responsibility as a prudent operator.

Our development plans for drilling sites and pipeline rights-of-way in the Williston Basin often must comply with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) because they are subject to review, comment and approval by the BLM and the Bureau of Indian Affairs.

We engage third-party archaeologists to identify cultural sites that may be eligible for the National Register of Historic Places and coordinate with Tribal Historic Preservation Offices to identify Traditional Cultural Properties. Our development avoids all such sites. During construction, archaeologists monitor our sites looking for previously unknown cultural resources unearthed by construction activities. To date, archaeologists have found no previously unknown cultural resources during construction, which we believe is the result of the precautions we take starting in the early stages of our projects.

SUSTAINABLE DEVELOPMENT GOALS

United Nations member states adopted 17 Sustainable Development Goals in 2015.

Oil and gas development inherently require consideration of the land at the surface level, and we aim to be responsible stewards of the prairies, grasslands, deserts and forested areas where we operate. Devon seeks to avoid or minimize ecosystem disturbances by completing multi-dimension, pre-construction environmental impact assessments; by applying our own avoid-minimize-mitigate strategy to limit direct habitat impact and fragmentation; and by initiating and supporting local conservation projects.





Waste Management

Responsible handling and disposal

Being an environmentally sound company entails responsibly handling the waste generated in our operations and our offices. To reduce waste for disposal, we encourage employees and contractors to minimize the waste they create, and reuse and recycle materials whenever possible.

Our work can generate waste designated as hazardous and non-hazardous from our drilling and production operations, as well as paper, packaging, bottles and other office waste. Devon maintains waste management plans in our operating areas to ensure compliance with all applicable regulations and our own corporate policies.

All Devon employees and contractors are responsible for managing waste. Our waste management protocol clearly defines roles and responsibilities for our waste handling, shipping, disposal, training and minimization programs. We hold contractors responsible for managing the waste they generate and for complying with all applicable state and federal waste regulations.



Devon radiation safety officers conduct NORM surveys to ensure regulatory compliance.

For chemicals and other materials used or stored in our workplace, Safety Data Sheets (SDS) summarizing hazard information and disposal considerations are readily available. To reinforce our commitment to compliance, our employees and contractors receive job-specific training related to waste management and chemicals used or stored in the workplace.

Oil and gas operations sometimes encounter waste containing naturally occurring radioactive material (NORM). Devon maintains a NORM protocol to help manage the material responsibly and within regulatory requirements. The protocol establishes conditions to address health and safety considerations of our employees, contractors and the environment, including guidelines to reduce potential exposure to NORM.

Devon provides NORM awareness training for any employee who works at a site or facility where NORM is present and specific training for employees who encounter NORM in the course of their work. We also provide radiation safety officer training for employees who take on the additional responsibilities of that role. Radiation safety officers provide technical resources and tools to maintain regulatory compliance.



Spill Prevention

Keeping materials in containment

TAKING ACTION

- Both legacy **Devon** and legacy **WPX** achieved **annual corporate goals to reduce spills**, primarily due to prevention, training efforts and spill remediation in 2020.
- Adopting spill prevention best practices** from both legacy companies to build on 2020 performance.

Keeping large volumes of oil, produced water and other materials in containment is a guiding principle of Devon’s Environmental, Health and Safety (EHS) Philosophy. We take a comprehensive approach to preventing, responding to and remediating spills from our equipment and facilities. Devon sets an annual corporate goal for reducing our total spill rate that keeps our business units and company focused on prevention measures.

Training, tools and techniques

Our environmental management program includes a Spill Prevention Countermeasures and Control (SPCC) protocol that drives compliance with the U.S. EPA SPCC Rule and other environmental rules and regulations. The protocol details the responsibilities, equipment, procedures and steps to prevent, control and provide adequate countermeasures to an unplanned discharge. It also specifies the training required for all personnel involved in designing, building and operating oil-handling or storage equipment, including an annual spill-response training exercise and briefing. Devon requires our contractors to meet or exceed the standards in our SPCC protocol.

We make every employee and contractor aware of their responsibility to prevent spills by immediately reporting near misses, such as a storage tank approaching full volume or signs of wear that may result in a leak. We respond to near misses and make any necessary adjustments to prevent spills.

Devon uses appropriate tools and techniques to minimize and contain discharges from our equipment and facilities.

Moving toward spill prediction

Remote surveillance equipment is helping Devon mitigate spills in our Wyoming operations. High-definition cameras and sensors on active locations in the Powder River Basin allow operators and analysts at a central location to identify a minor leak and dispatch responders before it becomes a larger spill. Our staff can also perform a remote shutdown to stop an identified spill until responders arrive on-site to address it. Through machine learning and predictive analytics, we believe we’ll be able to anticipate and ultimately prevent spills.

Following a successful pilot in the Powder River Basin, we are installing remote surveillance in each of our operating areas.



At facilities with storage tanks, our spill prevention procedures include secondary containment, “nearly full” alarms on tanks and offsite monitoring equipment that can shut in facilities remotely.

At our produced-water recycling facilities, Devon installs temporary storage reservoirs designed to minimize the risk of overflow from rain. The reservoirs are double-lined and sloped to direct any water that may penetrate the first liner to a sump pump. A layer of mesh material between the two liners is outfitted with motion detection that alerts our

operators if a liner leaks. Any reservoir where we temporarily store water, including saltwater disposal sites, is lined for environmental protection.

To protect the environment and ensure safety when using oil-based fluids to drill wells, we employ a closed-loop system that is considered an industry best practice. We comply with the EPA SPCC Rule by keeping plans at drilling locations to minimize the impact of spills. We also follow local, state and federal guidelines when handling drilling fluid and mud systems.



Spill Prevention continued

When a spill does occur, we remediate, investigate the cause and take corrective action to prevent recurrence. Devon often performs in-situ remediation using naturally occurring microorganisms to remediate and restore impacted soils when feasible. This method also reduces the likelihood that invasive weeds and plants will be introduced to the area. In-situ remediation has other advantages, as well: It reduces truck traffic because it generally doesn’t require heavy machinery, and it reduces our overall operational waste footprint by eliminating the need to send impacted soil to landfills.

Devon has a robust EHS system for reporting and tracking spills. We require reporting of unintentional releases of oil, produced water, chemicals and any other material associated with our operations. Spills and near misses are tracked by the total company and business unit, which enables them to analyze their spill performance and find ways to improve.

The Devon lost-spill rate is based on the volumes of produced oil, produced water and recycled water handled in our operations. We believe that measuring our spill rate based on the total amount of fluids we manage in our operations gives us the best view of our performance and allows us to better manage our spill prevention procedures.

Improved performance in 2021

To drive continuous improvement, Devon sets an annual corporate target for the lost-spill rate and includes it in our annual performance bonus calculation. In 2020, legacy Devon achieved a 38% year-over-year improvement in our lost-spill rate, mainly due to spill prevention and remediation efforts across all our business units. At legacy WPX, continued employee spill reduction education and preventive maintenance across all business units resulted in a 26% year-over-year improvement in spill performance.



Calculation methodology for lost-spill rate

BARRELS LOST

(Reportable to Regulatory Agency + Offsite Lost Spills)

X

1,000,000

BARRELS MOVED

(Produced Oil + Produced Water + Recycled Water)



Safety

Aiming for exemplary performance

The Safety section of our 2021 Sustainability Report includes:

Overview	31
Workforce Safety	32
Well Safety	36

Resource Links:

- [Environmental, Health and Safety \(EHS\) Philosophy](#)
- [Contractor safety requirements](#)
- [Safety Data Sheets \(SDS\)](#)




Overview

It’s our responsibility as an employer to provide a safe and healthy workplace for our employees and contractors. But it goes deeper than that at Devon. We care about our employees, their families and our communities, and we believe their safety and health is as integral to our success as operational excellence.

We prepare our people to work safely with comprehensive orientation and training, on-the-job guidance and tools, safety engagements, recognition and other resources. Employees and contractors are accountable for stopping at-risk work, immediately reporting incidents and near-miss events, and informing visitors of emergency alarms and evacuation plans. Devon uses proven best practices, technologies, tools and materials throughout our operations to safeguard the people working at our worksites and neighbors nearby.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations has established 17 Sustainable Development Goals (SDGs). They’re part of a globally agreed-upon action plan for organizations seeking to provide affordable energy, produced responsibly to protect the environment, while also promoting peace and prosperity for all people. In this report, we have identified a wide variety of Devon’s business activities that align with the U.N. SDGs. Here in the safety section, look for:



Decent Work and Economic Growth
page 34

Safety Performance Metrics

**Unless otherwise noted, all data presented is pro forma (Devon + WPX) for U.S. operated assets.*

	2018	2019	2020
Fatalities (Employee and contractor workforce)	0	1	2
Total Recordable Incident Rate (TRIR) (Employee + Contractor)	0.53	0.49	0.43
TRIR - Employee	0.41	0.53	0.36
TRIR - Contractor	0.55	0.49	0.44
Serious Incident and Fatality (SIF) Recordable Rate (Employee + Contractor)	0.06	0.10	0.11
Days Away Restricted Transfer (DART) Incident Rate (Employee + Contractor)	0.26	0.24	0.20
DART Incident Rate - Employee	0.12	0.28	0.24
DART Incident Rate - Contractor	0.28	0.23	0.19
Lost Time Incident Rate (LTIR) (Employee + Contractor)	0.12	0.15	0.12
LTIR - Employee	0.12	0.28	0.16
LTIR - Contractor	0.12	0.13	0.11
Preventable Vehicle Incident Rate (per million miles)	1.00	1.50	1.20
Employee Hours (million)	4.9	5.7	5.0
Contractor Hours (million)	24.7	35.7	24.8

¹ Performance in 2018 is limited to legacy Devon only.

[EXCEL DOWNLOAD](#)

Taking Action



- SAFETY GOVERNANCE**
- Integrated our safety governance structure and teams following our merger.
 - Elevated the importance of safety by creating the new position of vice president of ESG and EHS.
 - Adopted legacy company best practices for vehicle driving safety, serious incidents and fatalities (SIF) review processes and contractor management practices.



- DEVON’S GOALS**
- Safety performance at legacy Devon and legacy WPX contributed to an overall score of 80% and 96% of the companies’ 2020 corporate safety goals, respectively.
 - Set 2021 corporate safety goals with the legacy companies’ combined 2020 safety metrics as the baseline, with overall safety representing a larger portion of the compensation formula.



- VALUE CHAIN ENGAGEMENT**
- By 2023, Devon contractors who perform work on the company’s locations will begin undergoing annual evaluations to assess their ESG performance in key areas.



Workforce Safety

Empowering our team

TAKING ACTION

- **Integrated our safety governance structure and teams for a seamless transition** and to drive continuous improvement in safety.
- Elevated the visibility of safety and its importance to Devon's future by **creating the new role of vice president of ESG and EHS** reporting to the executive vice president and chief operating officer.
- **Adopted legacy company best practices** for vehicle driving safety, serious incidents and fatalities (SIF) review processes and contractor management practices to carry forward as One Team.
- Conducted safety training sessions, safety meetings and our **Hearts and Minds workshops** with masks and/or social distancing to promote safety during the COVID-19 pandemic.
- Safety performance at **legacy Devon and legacy WPX contributed to an overall score of 80% and 96% of the companies' corporate safety goals**, respectively, in 2020.
- **Set 2021 corporate safety goals to reduce the overall SIF rate** and to utilize SIF learnings to promote continuous improvement, systemic changes and enhanced EHS culture. The combined legacy companies' 2020 safety metrics were used as the baseline.
- Overall, **safety performance represents a larger portion of the compensation formula** in 2021 than in 2020.

Everyone at Devon – our leaders, employees and contractors – is expected to actively participate in making Devon a safe place to work. We empower our team by providing comprehensive safety resources, measuring leading and lagging indicators, setting corporate safety goals and incorporating our safety metrics into our compensation.

We're committed to integrating the guiding principles in our Environmental, Health and Safety (EHS) Philosophy into all decisions that affect our operations. Compliance with applicable safety laws, regulations, policies and protocols is a key principle, and is reinforced in our Code of Business Conduct and Ethics, EHS Policy and safety orientation, training and engagements.

Our governance structure supports Devon's commitment to making safety our top priority. The Governance, Environmental, and Public Policy (GEPP) Committee of our board of directors reviews our safety performance and keeps the full board informed. Devon's executive vice president and chief operating officer (COO) is responsible for our safety performance, with the vice president of ESG and EHS reporting to the COO.

This vice president position is a new role that elevates the visibility and importance of ESG and EHS strategy, activities and disclosures.

Our senior leaders oversee safety policies and performance, and the ESG Committee supports management's commitment to safety and health. In turn, our workforce is empowered to do what's necessary to perform work safely and stop work if they see a safety risk.

Strategy and implementation

To drive continuous improvement, the Devon EHS Council sets safety and health strategy and helps ensure implementation. The council is made up of EHS, operations and business unit managers who meet regularly to monitor performance, share lessons learned, and communicate corrective actions and best practices. In addition, through roundtable discussions with production operations leaders, the council keeps the organization updated on stakeholder expectations for EHS performance.

The EHS Management System (formerly our EHS Roadmap) developed by the council guides our selection of the most effective activities and programs to help us continuously improve in 14 key elements of EHS performance. In 2020, the council met its goal to share and use learnings about

SIFs and near misses, which is part of our transition from lagging metrics to leading indicators. It also largely completed activities related to the Training and Competency element, with specific attention on employee training for critical tasks and for completing competency assurance.

With fresh eyes and input from new WPX team members, the EHS Council started identifying safety best practices from both legacy companies to carry forward. We adopted the WPX focus on driving safety and key elements of its contractor management program. We also integrated Devon's SIF investigation and tracking process across all of our business units. Throughout 2021, the EHS team will continue making training improvements in some business units and focus on leading indicators to support reaching our corporate safety goals.

Devon's EHS Management System guides us in identifying concrete steps to continuously improve in 14 key elements of performance

- | | | |
|--|-----------------------------|---------------------------|
| ■ Leadership, Culture and Accountability | ■ Asset Integrity | ■ Training and Competency |
| ■ Contractor Management | ■ Environmental Management | ■ Goals and Objectives |
| ■ Event Management and Investigation | ■ Records and Documentation | ■ Emergency Management |
| ■ Environmental, Social and Governance | ■ Safe Work Practices | ■ Safety Audit |
| ■ Hazard Analysis and Risk Management | ■ EHS Roadmap Review | |



Workforce Safety continued



**Visible
Commitment**



Accountability



Anticipation



Participation



Recognition



Communication

Strong EHS culture

One of the council's ongoing priorities is to encourage a strong EHS culture at Devon. We believe the care and concern we show our workforce can have a positive impact on their safety and health at work and at home. We've learned from our field leaders that transparent communications, positive safety behaviors, proactive reporting and safely meeting operational goals are both signs and outcomes of a healthy EHS culture. The council assesses our EHS culture regularly to pinpoint the right approaches and programs to advance safety performance.

Each employee learns about our safety culture on their first day on the job, and we keep the conversation going throughout their career.

During new-hire orientation, employees learn the safety behaviors we expect and incorporate into the employee appraisal process.

Job competency is one of our EHS guiding principles. We emphasize the quality of safety training over the quantity. A combination of online and hands-on training is offered to office and field workers as appropriate for their job responsibilities. All employees must complete our field safety briefing if they work on or visit field locations. Our training reinforces our requirement to immediately report any incident or near-miss event and to be accountable for our own and others' safety.

We put our safety culture into action in 2020 as we worked to keep our field crews healthy and safe during the challenges and distractions of the pandemic. In addition to following local



1-844-310-3439

We back up our pledge to support anyone who exercises their Stop Work Responsibility. The EHS Hotline (1-844-310-3439) is available for any individual who tried to stop work but felt they were not supported.



protocols, we held socially distanced training sessions and safety meetings. The experience highlighted the importance of having leaders in the field and in-person safety meetings to continue to set the right tone to work safely at Devon.

Stop Work Responsibility

Proactively managing safety risks is a key factor in maintaining safe working conditions. Starting with new-hire safety orientation and continuing on our work sites, we emphasize the importance of Stop Work Responsibility. Employees have the right, responsibility and obligation to speak up and stop any action, task or behavior that is or could be unsafe. It's also a way we live our value of courage, and Devon pledges to support anyone who exercises their Stop Work Responsibility. We capture and track proactive stops and good catches, and recognize individuals for stopping work to safeguard themselves, each other and the environment.

Communicating our EHS culture

As a core element of our safety engagement efforts, our Hearts and Minds workshops drive home why safety is important to Devon. During the workshops, we share our safety culture and approach to effective communication, continuous improvement, integrity and situational awareness to reduce safety risk. Our Hearts and Minds workshops were thoughtfully paused following the onset of the global pandemic in 2020, but we believe so strongly in the value of the program that we resumed the workshops, with masks and social distancing to prevent the potential spread of COVID-19, for a number of service and rig crews. In 2020, more than 250 individuals participated in Hearts and Minds or a rig on-boarding workshop, including legacy WPX employees, leaders across Devon and contract drilling crews.



Workforce Safety continued

High expectations for contractors

Our contract partners who perform work in the field are indispensable to our operations. We seek contractors who have the most robust safety programs and track records, and we strive to work only with approved contractors who complete our supplier qualification process and meet our substantial policy and insurance requirements. Contractors are responsible for having EHS programs that meet or exceed all federal, state and local laws, rules and regulations, as well as Devon's standards and protocols for essential safety activities. In 2020, for the fourth straight year, more than 80% of legacy Devon's operational spending was with contractors who earned our highest safety ratings.

As part of integrating best practices, in 2021 Devon transitioned to Veriforce for third-party contractor verification and management. Among other improvements, Veriforce enables us to send prospective contractors and vendors a customized questionnaire to gauge their alignment with our core ESG priorities. We believe the periodic questionnaire will encourage constructive interactions with contractors who perform services directly on our work sites, and ultimately strengthen our supplier relationships.

We require contractors to perform high-quality, environmentally sound and safe work. Contractors are expected to supply and retain quality personnel who are adequately trained to perform their jobs safely, and we work constantly to raise the level of contractor safety performance through training and engagement.

To work with Devon, unless specifically exempted by the EHS Contractor Management protocol, non-exempt contract workers must complete SafeLand or Rig Pass training. Both of these widely used industry safety training programs, as well as Devon's contractor safety orientation, can be found on Veriforce's eLearning platform. Our field orientation covers critical safety rules for common activities at field locations, such as handling chemicals, housekeeping and waste management. Oil haulers and all other contractors who work in transportation are required to complete safety briefings specific to their work. Devon's company website provides contractors with easy access to our safety requirements, expectations, protocols, Safety Data Sheets (SDS), forms and tools.

To proactively manage risk, crews participate in a pre-task tailgate meeting before they start work to raise awareness of the potential risks and exposures, required personal protective equipment (PPE) and other aspects of the job.

Leadership engagements in the field can have a positive impact on our workforce, safety performance and operational excellence. To encourage safety-related engagements, our field personnel wear hard hat stickers that say, "Ask me my reason for working safely." This simple question allows for opportunities to make safety personal for those engaging in that conversation.

The conversations that result often reveal that people work safely so they can return home to their family and friends – a higher motivation than simply following procedures.

Compliance audits

Audits to identify and correct safety concerns are an element of our EHS Management System. Each business unit is required to perform an annual safety self-audit of compliance with regulations and Devon EHS protocols. Findings of noncompliance and suggestions for improvement are recorded in our Incident Management System (IMS) and tracked to closure. Business unit EHS professionals lead the audits, with guest auditors from other business units on hand to share best practices and lessons learned.

More than half of the audit time is spent at field locations, with a focus on sites where work is under way so auditors can engage employees and contractors. Auditors also check training, competency and inspection records, and other documentation. Trends observed and lessons learned during audits are shared across Devon to drive improvement.

Devon's internal audit team provides an additional layer of review by performing operational audits in our field offices to examine processes and controls for functions such as supply chain, inventory and fleet management. Internal audit also periodically assesses the field audit process and recommends improvement opportunities. For example, Devon internal auditors suggested including guest auditors in business unit audits to provide an independent voice.

Audits have also led to streamlining to one toll-free number for ethics, EHS and other issues across all Devon locations. Over time, the corrective actions we complete to address audit findings can lead to safety, operational and process improvements.

SUSTAINABLE DEVELOPMENT GOALS



United Nations member states adopted 17 Sustainable Development Goals in 2015.

Devon works to promote a safe and secure working environment for all employees and contractors, from office staff to field workers. Our mission is to enable the health, safety and productivity of all persons involved in Devon operations by encouraging an EHS-centered culture. We provide training and tools, swiftly and thoroughly investigate incidents and near-miss events, crowd-source insights, apply new learnings and pledge to support anyone who stops work for any kind of perceived threat to safety.



Workforce Safety continued

Gauging our progress

Annual corporate safety goals drive where we focus our efforts to improve performance. Our legacy companies had different safety goals in 2020: Devon's metrics were the recordable SIF rate, SIF learnings, ESG/EHS culture and EHS roadmap; WPX measured safe driving, contractor management and ESG.

In 2020, legacy Devon fully met our corporate goal to share learnings from SIFs, but did not meet our goal to reduce our SIF rate. Both legacy companies experienced a contractor fatality and Devon's SIF rate was higher than in 2019, deeply affecting families, loved ones and coworkers. We work constantly to prevent SIFs and all injuries and incidents so our employees and contractors can return home safely every day.

SIF investigations in 2020, led by each business unit and reviewed by the EHS Council, identified root causes such as improper use of tools and failure to follow standards, policies, controls and procedures. We addressed the root causes and took corrective actions including reviewing equipment designs and reinforcing Devon policies, requirements and best practices with our contractors. We also review SIFs where no one was injured and industry SIFs to deepen our understanding of trends, mitigations and best practices.

Devon focuses on the SIF rate because we want to prevent life-threatening and life-altering incidents and to understand high-risk near misses to help us improve. To give a comprehensive view of our safety performance, we also track the Days Away Restricted Rate (DART), Lost Time Incident Rate (LTIR) and Total Recordable Incident Rate (TRIR) for employees and contractors.

Employees of both legacy companies drove a combined 16.2 million miles in 2020. At mid-year 2020, legacy WPX took action to reverse a rise in preventable motor vehicle accidents (MVA). A safe driving campaign with stickers, posters and a 360 walkaround to check for hazards was rolled out for every company and employee vehicle. The result was a dramatic drop in MVAs in the second half of the year, allowing WPX to meet its 2020 corporate goal for safe driving. Devon now tracks our MVAs companywide, and several business units have set goals to improve driving safety locally.

2021 Corporate safety goals

Devon's 2021 corporate safety goals continue our mission to protect the lives of our employees, contractors and communities. To determine our goals, we assessed our metrics and set a baseline that reflects the combined performance of both legacy companies in 2020.

Our 2021 goals are weighted toward leading indicators and demonstrate our level of commitment to safety. Overall safety represents a larger portion of the compensation formula and the quantitative SIF rate reduction accounts for a larger portion of the safety goal in 2021 compared to 2020. Utilizing SIF learnings remains a goal for the third year.

Guided by our values to always do what's right, support each other and proactively manage risk, we continue to seek to safeguard our workforce and the public.





Well Safety

Ensuring well integrity

Devon uses proven best practices, technologies, tools and materials to protect people and the environment throughout the life cycle of our oil and natural gas wells.

Well integrity starts with the planning and design of the wellbore, including the selection of equipment, materials and drilling techniques. Devon designs our wells to meet high standards for the strength of the steel pipes that form the well, known as casing, and the quality and quantity of cement we use to separate and protect the multiple layers of casing. This attention to well construction keeps fluids in their proper place and protects groundwater zones for the life of the well.

During drilling operations, pressure tests confirm casing integrity. Acoustic measurements let us know that the cement is properly bonded to the casing and to the surrounding rock formation. Employees working in our Well Construction area are focused on optimizing drilling and completion engineering, monitoring Devon wells and making adjustments to prevent issues before they occur.

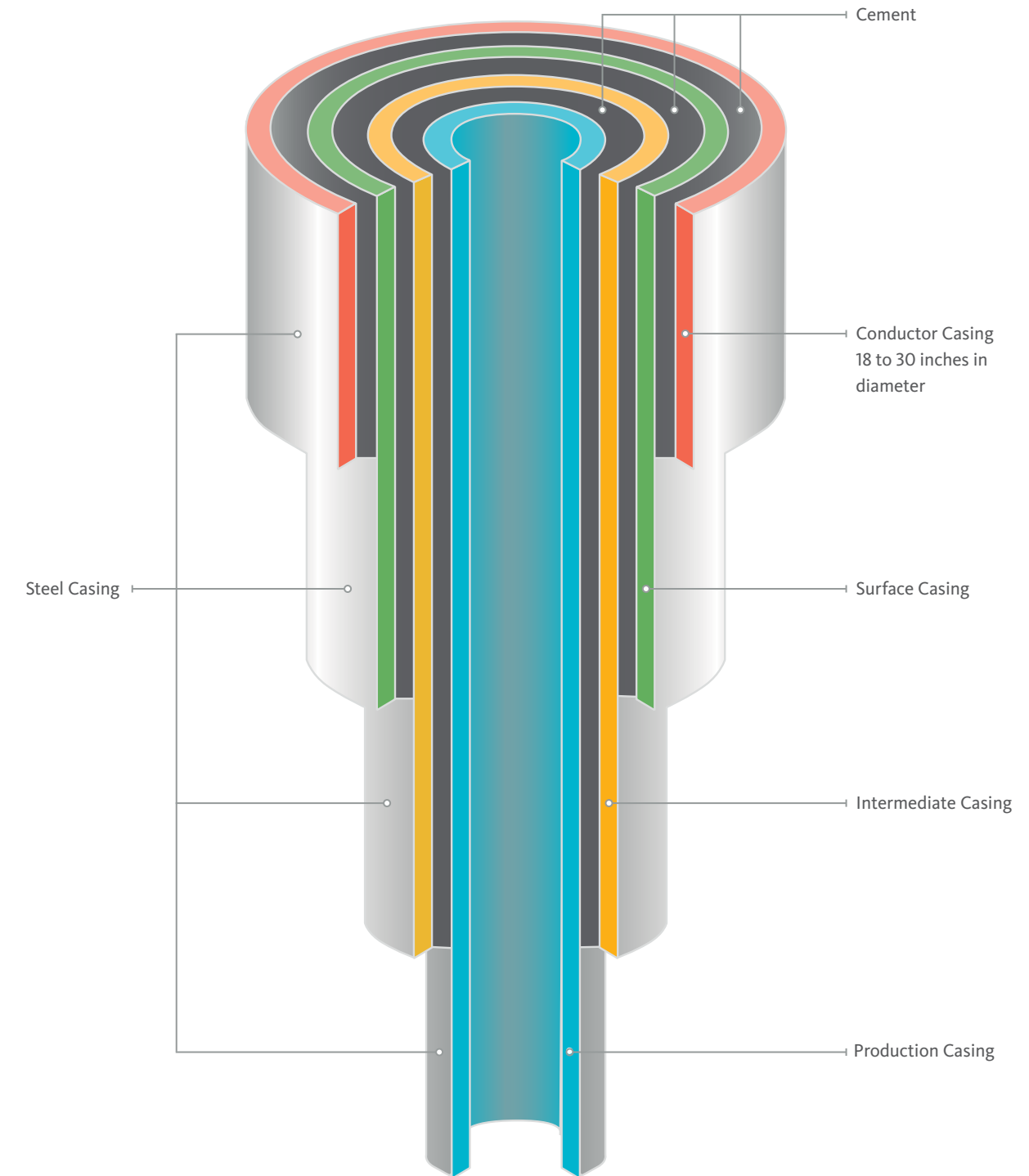
Devon continues to verify the well's integrity during production operations by monitoring tubing and casing pressures and by analyzing gas and water produced by the well. We also conduct periodic pressure tests and casing inspections.

We determine the drilling fluids to be used during the design phase before we drill a well. We conduct regular well-control drills on our drilling rigs and audit drills as part of our field-review process. To prevent spills, Devon follows local, state and federal guidelines when handling drilling fluid and mud systems.

After a well is drilled, we use the hydraulic fracturing process to complete it. Water, sand and additives are pumped into the wellbore to create or restore small fractures in the rock to stimulate production from new or existing oil and gas wells. Water and sand make up 98% to 99.5% of the mixture. A full registry of wells and chemical additives, along with much more information about hydraulic fracturing, is available at fracfocus.org. Devon played a leading role in creating Frac Focus in 2011 and has remained a major contributor to the site.

We regularly communicate Devon's environmental, health and safety policies, protocols and operational expectations for well safety in safety tailgate meetings at field locations. We pride ourselves on work safety and empowerment; all our crews have Stop Work Responsibility. Anyone can stop a job at any time if the person notices a potential hazard or is unsure about a task. This workplace culture helps keep people safe and protects the environment by reducing the risk of spills and emissions.

A full registry of wells and chemical additives, along with much more information about hydraulic fracturing, is available at fracfocus.org.





Governance

Integrity, accountability and disclosure

The Governance section of our 2021 Sustainability Report includes:

Overview	38
Corporate Governance	39
Enterprise Risk Management	42
Shareholder Engagement	43
Public Advocacy	44
Cybersecurity	46
Ethics and Integrity	47
Emergency Preparedness	48

Resource Links:

- [Corporate Governance Guidelines](#)
- [Code of Business Conduct and Ethics](#)
- [Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer](#)
- [Anti-Corruption Policy](#)
- [Ethics and Compliance Helpline](#)
- [Certificate of Incorporation](#)
- [Bylaws](#)
- [Privacy Policy](#)
- [ESG Steering Committee Charter](#)
- [Investor communications](#)
- [Annual proxy statements](#)
- [Annual Political Activity and Lobbying Report](#)
- [Devon Energy Corporation Political Action Committee Annual Report](#)
- [Emergency Preparedness Protocol](#)





Overview

As we work to be financially, environmentally and socially responsible, Devon is guided by our core values and corporate governance principles. Maintaining ethics and integrity and recognized governance practices such as board independence, proactive shareholder engagement and risk management help us sustain the trust we’ve built with our stakeholders.

To deliver results, we focus on operational excellence, top-tier environmental, social and governance (ESG) performance and productive stakeholder engagement. We integrate our environmental, health and safety (EHS) commitment into our operations and incorporate ESG performance goals into our compensation program.

Devon’s senior leaders evaluate risks and opportunities and seek to continuously improve our ESG performance and transparency. Our ESG Steering Committee plays an active role by informing management on current and emerging issues that influence business planning, strategy and operations.

Governance Metrics

**Unless otherwise noted, all data presented is pro forma for Devon and WPX.*

	2018	2019	2020
Independant Board Members¹ Currently, 8 of our 11 board members (73%) qualify as independent under NYSE standards and SEC regulations.	80%	91%	82%
Women Board Members¹ Currently three women (27%) serve on our board of directors, including the chairs of Devon’s Audit and Governance, Environmental, and Public Policy Committees.	20%	27%	27%
Contributions - Trades and Political² (thousands) In 2019, we began disclosing non-deductible trade association dues.	\$494	\$2,144	\$2,234
Lobbying - Federal and State² (thousands) Devon’s lobbying and political activity is disclosed via public agencies, as well as through the company’s Political Activity and Lobbying Report available on our website.	\$905	\$1,178	\$743

¹ Reflects legacy Devon board compoision following the annual election of directors each June.

² Legacy Devon only.

[EXCEL DOWNLOAD](#)

Taking Action



BOARD OF DIRECTORS

- Integrated corporate governance best practices from legacy Devon and legacy WPX to cultivate strong risk management, decision-making and communications with the board of directors.
- Expanded the responsibilities of the former Governance Committee to include environmental and public policy oversight, renaming it the Governance, Environmental, and Public Policy (GEPP) Committee.
- Established a new board Dividend Committee.
- Appointed a non-management director to serve in a lead director capacity.



SHAREHOLDER ENGAGEMENT

- Engaged with approximately 100 governance representatives of institutional investors representing more than 46% of outstanding shares to discuss topics such as ESG strategy, executive compensation, environmental performance and board composition.



TRANSPARENCY

- Published our 2021 Political Activity Lobbying Report, 2021 Sustainability Report and 2021 Climate Change Assessment Report, further advancing our commitments to transparency and disclosure.
- Achieved top-tier scores for ESG performance in a number of leading third-party surveys and assessments.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations has established 17 Sustainable Development Goals (SDGs). They’re part of a globally agreed-upon action plan for organizations seeking to provide affordable energy, produced responsibly to protect the environment, while also promoting peace and prosperity for all people. In this report, we have identified a wide variety of Devon’s business activities that align with the U.N. SDGs. Here in the governance section, look for:



Climate Action
page 42

Corporate Governance

Creating shareholder value

TAKING ACTION

- Integrated corporate governance **best practices from legacy Devon and legacy WPX Energy** to cultivate strong risk management, decision-making and communications with the board of directors.
- Established the Governance, Environmental, and Public Policy (GEPP) Committee** to sharpen the board’s focus on environmental, health and safety (EHS), public policy, stockholder engagement and sustainability.
- Established the **Dividend Committee to assist the board in its responsibility to administer** the company’s dividend program.
- Appointed a **non-management director to serve in a lead director capacity** that seeks to optimize board performance.
- Established **annual corporate goals for ESG and EHS performance** to drive continuous improvement.
- Adopted an **innovative fixed-plus-variable dividend strategy, the first in our industry**, to accelerate cash returns to our shareholders.

Devon recognizes that strong corporate governance is required to maintain our social license to operate. We strive for effective decision-making and risk management as we conduct our business in keeping with our corporate values and ESG responsibilities, serving the interests of our stakeholders.

Devon maintains an effective and functional corporate governance framework that can evolve along with our business. Progressive principles and practices guide our board of directors, executive management and workforce in delivering results with integrity and courage.



Our Corporate Governance Guidelines support the board and management in enhancing stockholder value, consistent with the long-term interests of the company and our stakeholders. The guidelines cover board composition, policies, procedures and committees, and provide direction for the recruitment, selection, responsibilities, compensation and evaluation of individual directors. We revised our Corporate Governance Guidelines in March 2021 to reflect the evolving needs of our post-merger company.

Independent board members bring fresh perspectives and diverse skills to their oversight of the company. The majority of Devon’s board members qualify as independent, based on New York Stock Exchange (NYSE) listing standards and Securities and Exchange Commission (SEC) regulations. Eight of 11 (73%) Devon board members qualified as independent as of June 2021.

The full board has primary responsibility for risk oversight of the company, with standing committees dedicated to specific areas of risk: Audit, Compensation, Reserves and Governance, Environmental, and Public Policy. As required by each committee’s charter, all committee members are independent.

Director committee assignments					
As of June 2021					
C Chair	M Member	Audit Committee	Compensation Committee	Governance, Environmental, and Public Policy Committee	Reserves Committee
Non-Management Directors					
Barbara Baumann		M		C	
John E. Bethancourt			M		C
Ann G. Fox					
Kelt Kindick, Lead Director		M		M	
John Krenickl Jr.		M			M
Karl F. Kurz			M	M	M
Robert A. Mosbacher Jr.			C	M	
Duane C. Radtke			M		M
Valerie M. Williams		C			M
Management Directors					
David A. Hager, Executive Chair					
Rick E. Muncrief, President and CEO					

Charters

-  **Audit Committee Charter**
The Audit Committee assists the board in ensuring the integrity of Devon’s financial statements and reporting system, compliance with legal and regulatory requirements, and performance of internal and external audit functions.
-  **Governance, Environmental & Public Policy Committee**
The GEPP Committee assists the board in identifying qualified individuals for board membership; oversees the company’s corporate governance; reviews Devon’s EHS efforts, social responsibility and stakeholder engagement; advises the board on significant public policy issues; and oversees integrating sustainability into strategic and tactical business activities.
-  **Reserves Committee Charter**
The Reserves Committee provides oversight of the annual review and evaluation of Devon’s consolidated petroleum and natural gas reserves, reporting system, compliance, regulatory requirements and related disclosures.
-  **Dividend Committee Charter**
The Dividend Committee assists the board with its duties and responsibilities in the declaration and payment of dividends on Devon’s common stock.



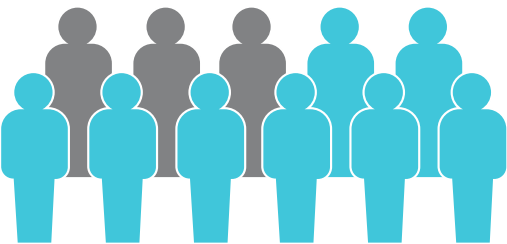
Corporate Governance continued

Adopting best practices

Following the merger, directors from the Devon and WPX legacy boards met in collaborative sessions to develop working relationships and identify governance best practices. One of the outcomes was expanding the role of the Governance Committee by establishing the board Governance, Environmental, and Public Policy Committee to oversee EHS, public policy, stockholder engagement and sustainability.

The board established the industry’s first fixed-plus-variable dividend strategy and created a board Dividend Committee to assist the board in administering the program, designed to sustainably return meaningful and appropriate amounts of cash to shareholders.

After closing the merger with WPX, the board appointed a non-management director to serve in a lead director capacity. Among other responsibilities, the lead director seeks to optimize board performance through regular feedback to help ensure the diverse viewpoints of all directors are heard and that a climate of constructive candor is created in which frank and thoughtful discussion occurs.



Independence
Eight of Devon’s 11 directors qualify as independent under NYSE standards and SEC regulations.
As of June 2021

Advancing board diversity

Throughout 2020 and 2021, leaders have regularly updated the board on Devon’s post-merger progress related to integrating operations, culture and workforce, as well as addressing the volatility in commodity and financial markets and the ongoing impacts of the COVID-19 pandemic. Our decisions and actions have benefited from informed input from board members with a wide range of experiences, viewpoints and backgrounds. Attracting and sustaining a diverse and inclusive board that can provide thoughtful counsel has long been a priority for Devon.

We’ve made progress diversifying the Devon board, including electing two women among the five most recent board additions. As of June 2021, three women and one racially diverse director served on our board, and the Audit and GEPP committees were both chaired by women. Our directors range in age from 44 to 72, all below the maximum age of 74 required by our Corporate Governance Guidelines.

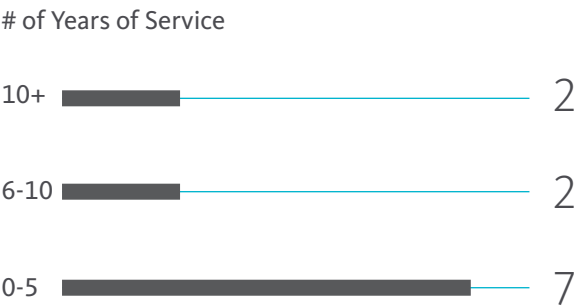
Shareholders elect Devon directors at the annual meeting for one-year terms. Our bylaws require a director who does not receive a plurality of votes in an uncontested election to offer to resign. This has not happened in the company’s 50-year history; our directors received an average approval rating of 96% at our 2021 annual meeting.

To align the board’s and stockholders’ interests with our long-term performance, independent directors are expected to have a significant ownership stake in Devon. The board determines the compensation of non-management directors annually based on the recommendations of the Compensation Committee. Compensation for our non-management directors, which has remained relatively consistent in recent years, is based on market norms and includes a combination of cash retainers and equity awards. Devon executives receive no additional compensation for serving on our board.

The GEPP Committee nominates qualified candidates to be Devon directors, seeking factors such as the nominees’ integrity and accountability, ability to provide informed judgment, respect from peers and high performance standards.

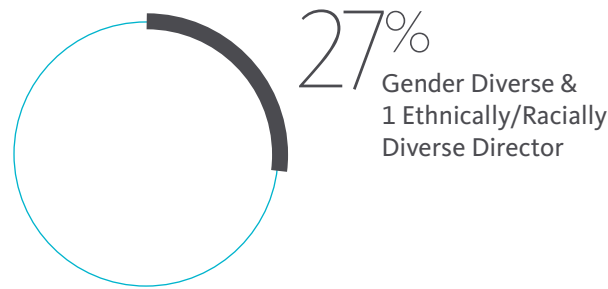
Tenure

The tenure of our directors reflects a balance of experience and fresh perspectives.
As of June 2021



Diversity

We approached our directors to voluntarily self-disclose their race, ethnicity and gender. Of the responses we received, three of our 11 directors are considered diverse.
As of June 2021



How to contact Devon’s non-management directors

Issues or concerns related to Devon’s accounting, internal accounting controls or auditing practices may be reported to the Audit Committee of the board of directors by:

- Calling our non-management directors access line at (866) 888-6179, or
- Sending an email to nonmanagement.directors@dvn.com.

Any stockholder or other stakeholder may also contact our non-management directors by calling, emailing or by sending U.S. mail to Non-Management Directors, c/o Office of the Corporate Secretary, Devon Energy Corporation, 333 W. Sheridan Avenue, Oklahoma City, Oklahoma 73102.

All calls and correspondence are anonymous and kept confidential to the extent possible.

Corporate Governance continued

Pay-for-performance philosophy

Devon strives to own and effectively operate premier assets while maintaining financial strength and flexibility. Our executive compensation program seeks to ensure a strong tie between company performance and executive pay and is highly aligned with shareholders’ interests. This pay-for-performance philosophy is intended to motivate near-term operational and financial success as well as create long-term stockholder value, with total compensation weighted in favor of long-term incentives (LTI) to emphasize value creation and shareholder alignment.

In addition, our compensation philosophy is designed to attract and retain highly trained, experienced and committed executives capable of creating value in a large and diversified oil and gas business. The primary components of Devon’s executive compensation program are base salary, a performance bonus and long-term incentives.

To determine the compensation for our executives, each year the board’s Compensation Committee evaluates the performance of the company and of individual executives and the business unit or organization they manage. Devon’s senior leaders are accountable for generating operating returns by



managing our premier asset portfolio, delivering superior execution and exercising discipline in our capital allocation. The leadership team updates the board regularly on our economic and operational risks and opportunities and on our ESG performance.

In 2020, the Compensation Committee considered Devon’s performance relative to our corporate goals, including our Total Stockholder Return (TSR) compared to our peers and executives’ individual and business unit or organizational performance. In addition, we set challenging corporate goals for financial results, expenditures, oil and gas production, overall value of our risked resource portfolio, ESG/EHS performance, stakeholder alignment and our COVID-19 response.

Devon met or exceeded our 2020 corporate goals other than our EHS target rate for recordable serious incidents and fatalities (SIF), which is a component of our EHS goal. Notwithstanding this high performance, the Compensation

Committee chose to acknowledge the challenging industry and broader market conditions by reducing the performance bonus from 153% of target to 75% of target. In addition, approximately 89% of the value of total direct compensation awarded to the CEO, and an average of approximately 82% of the value of total direct compensation awarded to the other named executives, was delivered through performance bonuses and LTI.

In 2020, 63% of voting stockholders voted “for” our executive compensation, significantly lower than the say-on-pay votes for the previous three years. Devon increased our outreach with our institutional investors to seek feedback on our proxy disclosure and solicit their input on proxy voting items. We responded and took action on their primary critiques and reported on them in detail in the Compensation Discussion and Analysis (CD&A) section of our 2021 proxy statement. As a result, 94% of voting stockholders voted “for” the say-on-pay vote at the 2021 annual meeting.

Directors’ Skills and Experience												
	Barbara Baumann	John E. Bethancourt	Ann G. Fox	David A. Hager	Kelt Kindick	John Krenickl Jr.	Karl F. Kurz	Robert A. Mosbacher Jr.	Rick E. Muncrief	Duane C. Radtke	Valerie M. Williams	
Age	Our directors range in age from 44 to 72											
Key Skills and Experience												Aggregate
Public Board of Directors Experience	■	■	■	■	■	■	■	■	■	■	■	11
Energy Industry Experience	■	■	■	■	■	■	■	■	■	■	■	11
CEO/Business Leader	■	■	■	■	■	■	■	■	■	■		10
Human Capital Mgt./Comp.	■	■	■	■	■	■	■	■	■	■	■	11
Engineering Education/Experience		■		■		■	■		■	■		6
Finance/Capital Allocation	■	■	■	■	■	■	■	■	■	■	■	11
Financial Literacy/Accounting	■	■	■	■	■	■	■	■	■	■	■	11
Regulatory/Policy Matters				■	■	■	■	■	■	■		7

Additional Skills and Experience

- Three of our directors have experience with technology or cybersecurity.
- Five of our directors have an educational background or work experience with environmental matters.
- All of our directors have experience in corporate governance and risk management.



Enterprise Risk Management

Identifying, prioritizing and monitoring risk

TAKING ACTION

- Integrated identified risks and risk management **best practices from legacy Devon and WPX** into our 2021 risk analysis.
- Evaluated our existing risk category for disasters, which identifies a pandemic as a risk, to **understand lessons learned and make any needed changes** to the category and potential mitigations.

SUSTAINABLE DEVELOPMENT GOALS

United Nations member states adopted 17 Sustainable Development Goals in 2015.

As an energy producer, we believe that strong governance of corporate climate risk is foundational to supporting climate action. At Devon, climate-related issues are managed by formal corporate management structures, including board level oversight, and are integrated into our enterprise risk management system. For example, active risk management led us in 2019 to set our first methane reduction target (beyond regulatory requirements). Read more about our updated target and other climate tactics in the Environment section and our CDP Climate disclosures.



Systematically identifying and managing economic, operational and reputational risks to our business is essential to Devon's efforts to deliver results safely, ethically and responsibly. The Devon board of directors has primary responsibility for risk oversight, and each director has experience in risk management.

As part of this oversight role, the board helps ensure that our risk management programs are designed and implemented appropriately. Four standing board oversight committees consider the risks inherent in their areas of oversight and update the full board. The Devon management team, in turn, executes the board's risk management directives. This includes overseeing and reporting on Devon's day-to-day efforts to manage strategic, financial, operational, market, ESG, EHS and other business risks.

The head of our internal audit group reports directly to the board's Audit Committee, and receives additional guidance from our executive vice president and chief financial officer. The internal audit director is certified in risk management assurance by the Institute of Internal Auditors and leads a team of professionals who hold 20 different certifications in public accounting, internal auditing with a risk management component, fraud examination, cybersecurity and other specializations.

Maintaining awareness of business risk

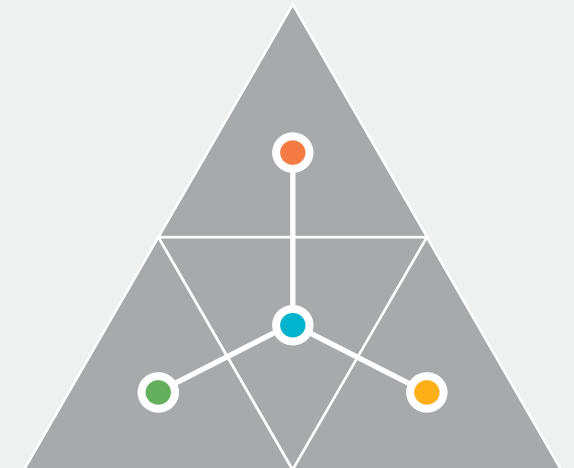
An important step in our enterprise risk management process is the annual analysis during which the board, management and subject matter experts across the company consider the likelihood that certain risks could cause economic or reputational damage to Devon. We also consider the level of preparedness for each risk. This analysis helps us determine the material risks to our business.

Our process includes exercises and workshops with employees focused on various risk mitigation strategies. Leaders from multiple work disciplines are involved in these workshops to help us identify new and emerging risks and maintain awareness of business risk across the organization. In 2021, we evaluated the risk management processes of our legacy companies and incorporated best practices from both companies into our go-forward process, including our series of risk management exercises and workshops.

For a more detailed discussion of Devon's material risks, please see our Annual Report on Form 10-K for the year ended Dec. 31, 2020.

Devon's ERM framework

Our risk management process enabled us to prepare for and respond quickly to the COVID-19 pandemic and subsequent economic crisis, while executing our business strategy and successfully completing the merger of Devon and WPX.



- Board oversight**
Periodic reporting to the board, executive committee and management
- Enterprise risk inventory**
Documentation covering each risk category including risk-mitigation activities
- Risk workshops**
Quarterly risk discussions
- Annual ERM survey**
Annual survey of board, executive committee, management and subject matter experts



Shareholder Engagement

Turning insights into improvements

TAKING ACTION

- **Earned top-tier ESG rankings among peer companies** from Sustainalytics, Vigeo Eiris, CDP and Institutional Shareholder Services (ISS).
- Published our updated **Climate Change Assessment Report, 2021 Sustainability Report and 2021 Political Activity and Lobbying Report**.
- **Increased transparency with new public disclosure** of indirect GHG emissions from use of sold products (Scope 3).
- **Addressed institutional investor critiques** on our 2020 say-on-pay executive compensation vote and other proxy matters.

As an element of our cash-return business model, Devon’s ESG performance is important to many of our shareholders. Insights from our shareholder dialogues shape our ESG programs, focus our disclosures and impact our compensation structure.

We’ve learned through ongoing outreach with our shareholders that ESG performance is a key component of their valuation of Devon. As a result, we’ve strengthened governance practices to more effectively manage the risks and opportunities of issues such as climate change. In 2021, we expanded the responsibilities of the former Governance Committee to include environmental and public policy oversight, renaming it the Governance, Environmental, and Public Policy (GEPP) Committee. The GEPP Committee oversees company management in setting strategy, establishing goals and integrating sustainability into our business activities. The committee also reviews Devon’s environmental, health and safety and social responsibility programs. Our senior-level ESG Steering Committee coordinates the related efforts and regularly updates our executive committee, GEPP Committee and the full board on our progress.

Building relationships with our shareholders helps Devon anticipate and manage issues that influence our long-term success. Under the direction of Devon’s vice president of corporate governance, secretary and associate general counsel, we communicate directly with shareholders to understand their interests and needs, and to share our strategies and plans.

When a far lower percentage of voting stockholders voted “for” our executive compensation (say-on-pay) in 2020 than in the previous three years, we proactively sought feedback from our institutional investors. Devon interacted with approximately 100 representatives of institutions totaling

more than 46% of outstanding shares to discuss our 2020 say-on-pay vote. We analyzed the feedback from these discussions and from critiques contained in governance reports received in response to our proxy statement. Our 2021 proxy statement details our resulting actions and responses. We believe this approach contributed to approximately 94% of voting stockholders casting ballots “for” Devon’s say-on-pay vote in 2021.

In meetings with shareholders, we often invite Devon senior leaders and subject matter experts to provide information on topics of interest, such as executive compensation and field environmental practices. We share key themes with Devon senior management and our board, who appreciate the shareholder feedback. Our directors also welcome the opportunity to engage with shareholders as appropriate.

With our shareholders’ focus on climate change, Devon is committed to reporting our related activities and progress. In December 2021, we published an updated Climate Change Assessment Report to reflect changes in our asset portfolio since publishing the first report in 2018. The 2021

report enhances the company’s alignment with the Task Force on Climate-related Financial Disclosures (TCFD), an international, multi-industry-led initiative launched to develop recommendations for voluntary disclosure of climate-related risk. Devon aligns with TCFD because it is the preferred disclosure framework for our investors and other stakeholders. We also continue to set targets to drive improvements in our environmental performance, including our board-approved targets for reducing GHG and methane emissions intensity, flaring and freshwater use set in June 2021.

Benchmarking ESG performance

We participate in a number of third-party ESG-focused surveys and assessments that help stakeholders benchmark our progress. Sustainalytics, ISS, Vigeo Eiris and CDP have all ranked our ESG scores in the top tier of our peer groups.

These assessments also help us refine our transparency efforts and improve our ESG performance. Devon regularly evaluates surveys and additional public disclosures we could make to target our reporting on the information that is most meaningful for shareholders and other stakeholders.

Increasing transparency

Devon’s actions to meet our shareholder needs for ESG information include the following:

- Published Climate Change Assessment Reports in 2018, 2020 and 2021.
- Set our first methane intensity target in 2019, and achieved it in 2020.
- Set new environmental performance targets in 2021, including net zero GHG emissions.
- Published a Sustainability Report annually since 2018.
- Published our Political Activity and Lobbying Report annually since 2018.
- Incorporated emissions, safety and other ESG metrics into our executive compensation structure.
- Elevated ESG reporting in investor communications through third-party surveys.
- Participated in CDP climate reporting for 17 consecutive years and CDP water reporting for eight consecutive years.



Public Advocacy

Constructive conversations about public policy

TAKING ACTION

- Published the **Devon 2021 Political Activity Lobbying Report**.
- Focused on preserving our access to resources on federal lands and **addressing potential state and federal legislation and regulations aimed at reducing carbon, methane and greenhouse gas emissions**.

With growing interest in the energy transition and the sustainability of our industry, public policy discussions about oil and gas development and production are evolving rapidly. Devon engages on issues as diverse as climate change, emissions reductions, hydraulic fracturing and federal lands access. We’re committed to having constructive conversations, building relationships and developing solutions that help us deliver results while addressing stakeholder concerns.

As a leading U.S. energy company, Devon participates in local, state, national and global economies. The company takes public policy positions on issues that impact our business, including regulations, taxes, trade, jobs and ESG performance. We have a responsibility to advocate for laws and rules that meet business and societal needs, and to consider and communicate the impacts and trade-offs of our decisions.

At the board level, the Governance, Environmental, and Public Policy (GEPP) Committee reviews our advocacy efforts and assists with evaluating political, legislative and regulatory developments that could affect Devon. Our vice president of public and government affairs, who reports to the executive vice president and general counsel and is a member of the ESG Steering Committee, leads our efforts to advocate for Devon’s business interests. Our core value of integrity commits us to fulfill our advocacy role in compliance with all applicable laws, regulations and rules.

In 2021, we’re taking this balanced approach on priority issues such as preserving our access to resources on federal lands and addressing potential state and federal legislation for carbon, methane and greenhouse gas emissions. We seek to help stakeholders understand the impacts of proposed policies on our day-to-day operations and longer-term business prospects, as well as the value of oil and gas production to governments and society. We plan to engage proactively to find sensible public policy solutions.

Industry participation

To make our views on regulations and laws known, Devon participates in business coalitions, industry associations, trade groups and advocacy organizations. We share information about industry issues with our employees to aid discussions with their friends and neighbors, and we encourage them to vote.

Devon employees are active in industry associations such as the Petroleum Alliance of Oklahoma, New Mexico Oil and Gas Association (NMOGA), Texas Oil and Gas Association (TXOGA), the Petroleum Association of Wyoming (PAW), North Dakota Petroleum Council, American Exploration and Production Council (AXPC) and the American Petroleum Institute (API).

As an example, a Devon employee is active on API’s Occupational Safety and Health Subcommittee, which proposed a voluntary safety program to elevate the overall safety performance of the onshore exploration and production industry. We’re proud to have a Devon representative sharing our values and contributing to industry best practices on this important industry committee.

2021 Political Activity and Lobbying Report

[LEARN MORE](#)

Political Activity and Lobbying Report Archives *

[2020](#) [2019](#)

[2018](#) [2017](#)

* data reflects legacy Devon only





Public Advocacy continued

Increasing disclosures

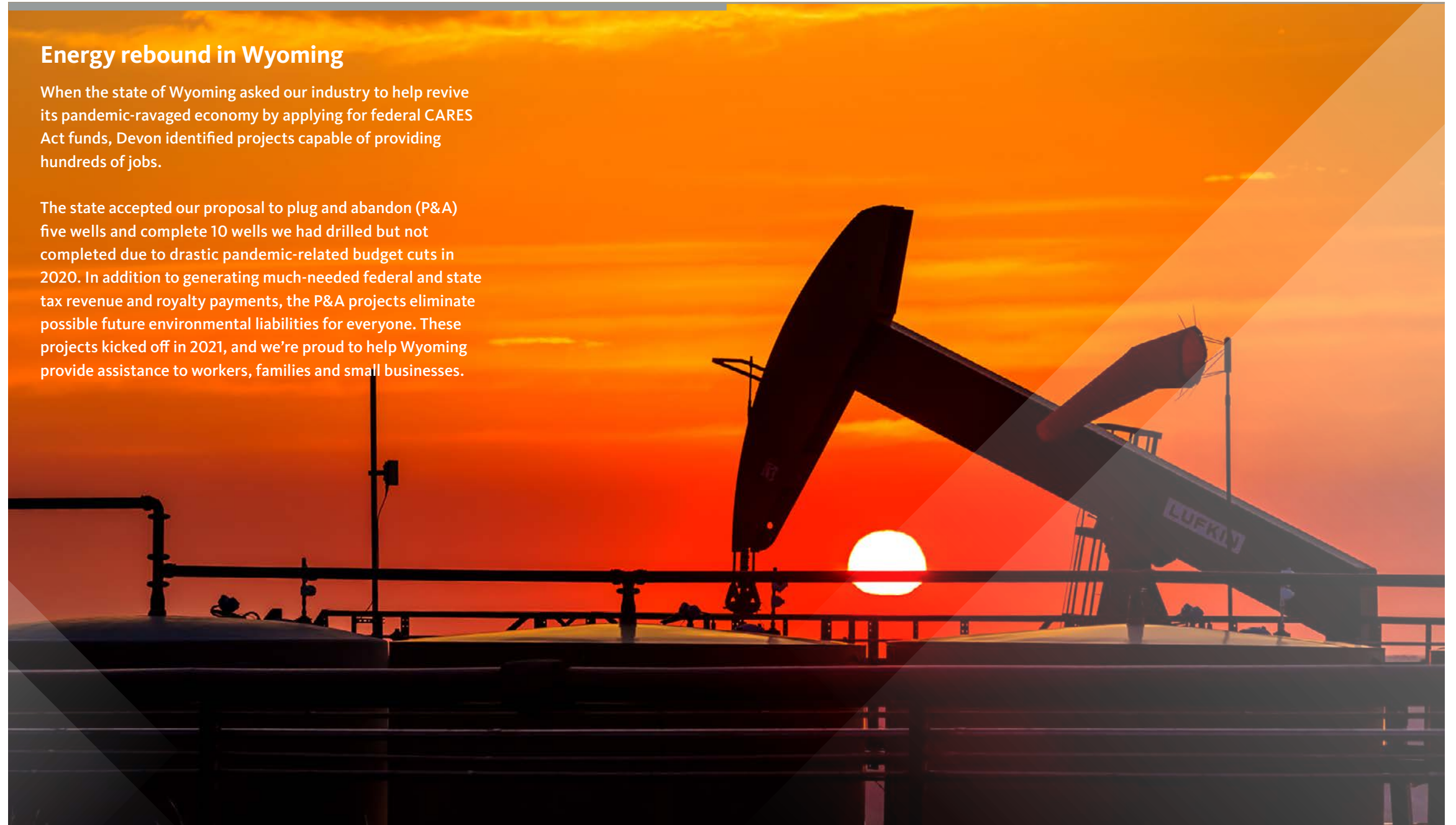
Our public advocacy discussions often include Devon's environmental, social and governance performance. We've steadily increased public disclosures on ESG performance in recent years, including in our comprehensive annual Political Activity and Lobbying Report. This report discloses the company's expenditures for political contributions, 527 contributions, federal and state lobbying and the Devon Energy Corporation Political Action Committee (DECPAC). Since 2019, the report has disclosed the names of all trade associations we belong to and the non-deductible membership dues we pay. The board's GEPP Committee reviews our political contributions to confirm alignment with Devon's policies and objectives. We've reduced our advocacy and lobbying expenditures in the past few years as part of our overall cost-reduction efforts.

We communicate proactively, listen carefully and seek diverse opinions that challenge our thinking.

Energy rebound in Wyoming

When the state of Wyoming asked our industry to help revive its pandemic-ravaged economy by applying for federal CARES Act funds, Devon identified projects capable of providing hundreds of jobs.

The state accepted our proposal to plug and abandon (P&A) five wells and complete 10 wells we had drilled but not completed due to drastic pandemic-related budget cuts in 2020. In addition to generating much-needed federal and state tax revenue and royalty payments, the P&A projects eliminate possible future environmental liabilities for everyone. These projects kicked off in 2021, and we're proud to help Wyoming provide assistance to workers, families and small businesses.





Cybersecurity

Safeguarding our networks, systems and information

TAKING ACTION

- **Provided annual digital awareness training** for all Devon employees and contractors and onboarded legacy WPX employees quickly.
- Successfully **transitioned our company to safe and secure remote working** during the COVID-19 pandemic.

The Colonial Pipeline ransomware attack in 2021 certainly highlighted the vital role cybersecurity plays in the global energy system. At Devon, we know that cybersecurity is crucial to our ability to sustain our business.

Every day, we collect, use, share and store a significant amount of data to run our business. We invest in sophisticated tools and processes to protect our technology advantage, strengthen our business continuity capabilities, manage risk and deliver results.

Safeguarding our networks, systems and information starts with our highly skilled digital security professionals who apply artificial intelligence, process automation, data analytics and other techniques in the field and the office. We require and pay for each member of our security operations team to earn SANS Institute certifications for security essentials and incident handling.

Our security professionals meet weekly to discuss cyberthreats, incidents and effective prevention measures. They also proactively develop, use and share information on cyberthreats, enhancing human intelligence with appropriate levels and layers of automation.

At the highest governance level, three members of the Devon board of directors have technology or cybersecurity experience. The board and its Audit Committee take an active interest in cybersecurity as part of their risk management oversight role and receive regular updates on our information security program and cyberattack trends from the Devon management team.

To mitigate cybersecurity risk, we maintain an industry-leading corporate information security policy and program aligned with the U.S. Department of Commerce's National Institute of Standards and Technology (NIST) Cybersecurity Framework for risk management. Our policy and program are assessed by third-party experts, and we internally exercise and test our incident response and disaster-recovery plans as part of Devon's corporate emergency preparedness program.

A culture of prevention is important to our digital security. Devon provides cybersecurity awareness training for all employees and contractors during onboarding and through annual refresher training. Teams that have access to sensitive data receive specific training and employees who help us avoid cybersecurity events receive recognition. Responsible use of our information systems is covered in our Code of Business Conduct and Ethics, the Information General Usage Policy and related policies.

As part of its role to protect data and technology appropriately, our digital security team evaluates technologies that Devon builds, buys or deploys and provides recommendations to the business owners. This risk assessment role is essential as Devon increasingly develops our own patented technologies, deploys mobile apps in the field, and partners with other innovators to commercialize and scale technology solutions.



Mitigating cybersecurity risk

- Our corporate information security policy and program is aligned with the U.S. Department of Commerce's National Institute of Standards and Technology (NIST) Cybersecurity Framework for risk management.
- 100% of employees working on the Devon security operations team have earned industry certifications in security essentials and incident handling.
- Our culture of prevention includes training, recognition and enforcement.
- We experienced no business interruptions or material losses from cyberattacks in 2020, 2021 or to date in 2022.
- We use best practices in our external-facing website.



Ethics and Integrity

Responsible business conduct

TAKING ACTION

- Updated our Code of Business Conduct and Ethics and **onboarded new employees to our code** and related policies post-merger.
- Established a cross-functional ethics committee**, a legacy WPX best practice, to consider reports of suspected violations of the code, policies, laws or regulations.
- Closed 100% of investigations** resulting from a report to our Ethics and Compliance Helpline in 2020.

Fraud protection

Devon's active fraud awareness program helps us prevent invoicing abuse, digital scams and other types of fraud. Our team of fraud examiners with fraud investigation experience enables us to quickly take action to prevent financial loss and mitigate risk.

We continue to expand our internal steering committee that identifies industry trends and emerging threats, most recently by adding operations experts who can help us root out fraud in the field. The committee developed fraud identification training for employees who work in the field, in accounting and other functions. We also share information on fraud trends and threats with all employees to help them recognize and report fraudulent activity.

Integrity is the foundational corporate value at Devon. Doing business with openness and honesty is the starting point to live out our other core values of building trusting relationships, having courage to take intelligent risks and delivering results.

Devon is committed to high ethical, moral, professional and legal standards in all our business practices and relationships. We seek to always do what's right, be transparent with our results and speak up with respect.

The Audit Committee of Devon's board of directors monitors our business practices and ethical standards and oversees legal and regulatory compliance. Together with Devon's executive vice president and general counsel, the Audit Committee annually reviews our business ethics program, including the code and our Anti-Corruption Policy and Procedures.

The code guides each Devon director, officer and employee in fulfilling our responsibilities to each other, our business partners, shareholders, government and legal systems. We also require our chief executive officer, chief financial officer and chief accounting officer to adhere to an additional, more stringent Code of Ethics holding them to the highest level of ethical and legal behavior.

Devon directors, officers and employees also are expected to comply with policies that provide guidance on specific business practices. These include our Zero Tolerance Anti-Harassment Policy, Anti-Corruption Policy and Procedure, Conflicts of Interest Policy, Employee Gifts and Entertainment Declaration Policy, Information System General Usage Policy and Environmental, Health, and Safety Policy.

We take proactive steps to reinforce the importance of understanding our ethical standards, legal obligations and regulatory compliance requirements. Devon employees are required to complete an ethics training course when they join the company. Following the merger, employees joining Devon from WPX received this ethics training as part of their onboarding. Annually, all employees receive the same ethics training and are required to acknowledge and agree to abide by our Code of Business Conduct and Ethics.

We review the training, code and policies each year and update them as needed to keep the content current and relevant. Our goal is to maintain high awareness and understanding of Devon's expectations.

Obligations for reporting

Violations of the code or related policies are serious matters that could damage Devon's relationships and reputation. Devon employees are obligated to enforce the code and report potential violations, with no fear of retaliation. Reports can be made by contacting our executive vice president and general counsel.

Employees and other stakeholders may also make a safe, secure and confidential report to our third-party Ethics and Compliance Helpline by phone or online. The Helpline is available at all times to report harassment, inappropriate behavior, fraud, unsafe acts, accounting irregularities, human rights violations or any other potential code or policy violation. The Helpline can also be used to seek guidance on Devon's ethics policy, follow up on a reported issue or ask an ethics-related question. Our board of directors receives periodic reports on Helpline activity to assist in its role of monitoring our ethical standards and practices.

Ethics and compliance helpline metrics

ETHICS AND COMPLIANCE HELPLINE

98%

of reports were unsubstantiated, simple inquiries or system tests.

100%

of investigations initiated in 2020 were closed by year-end.

45%

of users requested anonymity.

69%

of reports of possible ethics violations came through the online portal.



Emergency Preparedness

Ready to respond

TAKING ACTION

- **Solidifying our One Team capabilities for emergency preparedness, response and recovery** as part of post-merger integration activities.
- Conducted a successful virtual tabletop exercise that also **enabled us to add virtual communications to our incident command toolkit.**
- Participated in establishing **Oklahoma's energy assurance plan** to assist the state during an energy emergency.
- Activated our incident command system before the COVID-19 pandemic was widely recognized in the U.S., **allowing Devon to take early actions for employee health and safety and business continuity.**

Being proactive and prepared is part of Devon's culture. Our centralized, coordinated approach to emergency preparedness prioritizes life safety and business continuity for incidents that could affect our employees, our assets, our business and the environment.

Devon's corporate emergency management function leads our emergency response and recovery efforts for weather events, operational incidents, supply disruptions and other incidents. To manage emergency response in cooperation with community agencies, we follow the Federal Emergency Management Agency's (FEMA) National Incident Management System (NIMS). We provide in-house training, drills and exercises on the NIMS Incident Command System (ICS) to promote timely, effective incident response. The head of our emergency management program is a certified Emergency Manager and ICS instructor, which strengthens our capabilities. In addition, about 150 employees are trained as floor wardens to lead occupants of buildings and facilities to safety and provide medical assistance during an emergency.

Due to the pandemic, in-person exercises were replaced with virtual tabletop exercises for the aviation incident management team and Wyoming work group in 2020. Based on how quickly our teams adapted, we believe virtual communications can support our ability to manage events in the future.

Complementary competencies

The merger of Devon and WPX gives us an opportunity to look at emergency preparedness from different perspectives and share best practices. In assessing the legacy systems, we quickly identified complementary competencies: WPX's strong capabilities in the first hour of response and Devon's centralized, coordinated emergency management program.



Devon's Incident Command structure facilitates teamwork and communication among multi-disciplinary professionals from across the organization.

We continue to assess both systems, existing plans, our asset portfolio, our personnel and potential threats and hazards. We're creating a consistent foundation across all locations with basic incident management training and then validating it in a discussion-based exercise, followed by operational drills and full-scale exercises at a later date.

Community partners

To help ensure preparedness, Devon engages law enforcement, fire departments, emergency management and emergency medical services. We follow the U.S. Department of Homeland Security Exercise and Evaluation Program, which allows us to provide community partners with documentation that validates their participation for federal funding and medical facility accreditation requirements.

In addition to maintaining proficiency in our operating areas, Devon advocates for strong emergency management capabilities throughout industry and government. In 2020, the head of

our emergency management program served as the chair of the Oil and Natural Gas Subsector Coordinating Council that works closely with the U.S. Departments of Energy and Homeland Security on physical and cybersecurity preparedness. Through our involvement in the National Association of State Energy Officials (NASEO), Devon was invited to participate in establishing Oklahoma's energy assurance plan to assist the state with physical and cybersecurity during an energy emergency. We're proud to help our home state in this public-private partnership.

Protecting our license to operate

Devon documents areas for improvement, best practices and strengths after every exercise and actual response. Corrective actions are incorporated into our EHS incident management system. When emergencies and incidents occur, our continuous improvement efforts and training enable us to protect our workforce, our neighbors and our assets. In turn, we're protecting our business and license to operate.



Social

Relationships matter

The Social section of our 2021 Sustainability Report includes:

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Volunteerism	58
Human Rights	59

Resource Links:

- [STEM grants](#)
- [Corporate Giving Policy](#)
- [Volunteer request form](#)
- [Statement on Human Rights](#)





Overview

To be a socially responsible operator, Devon invests in building strong, safe communities. Our social investments are focused on aspects of community life where we can have the greatest impact, while aligning with Devon’s values and business goals: STEM (science, technology, engineering and math) education, public safety, social services and vibrancy in the communities where we operate.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations has established 17 Sustainable Development Goals (SDGs). They’re part of a globally agreed-upon action plan for organizations seeking to provide affordable energy, produced responsibly to protect the environment, while also promoting peace and prosperity for all people. In this report, we have identified a wide variety of Devon’s business activities that align with the U.N. SDGs. Here in the social section, look for:



Quality Education
page 53

Devon’s social investments are grounded in our core value of relationships. We listen to our stakeholders to understand their concerns, assess their needs and find the most effective ways we can help. One of Devon’s strengths is our ability to bring together local and national nonprofits, private foundations and corporations to expand the reach and effectiveness of our social investments. We advocate for tribal traditions, community development and youth programs for indigenous peoples where we operate. Our employee volunteers show their dedication to improving quality of life by helping alleviate hunger, advance education, deliver necessities and bring enrichment opportunities to our neighbors. In our relationships and engagements, we’re committed to work with integrity, earn trust, empower others and keep improving.

We’re responsive to our community stakeholders and available to handle any concerns we receive in person, by phone and online. Devon’s trained team of experienced land, community relations, field operations, corporate communications and other professionals is prepared to respond to issues and work with stakeholders to find solutions.

Social Metrics

**Unless otherwise noted, all data presented is pro forma for Devon and WPX.*

	2018	2019	2020
Social Investments (millions)	\$8.3	\$7.8	\$5.3

EXCEL DOWNLOAD

Taking Action



COVID-19 ACCOMMODATIONS

- Modified our social investment plan and activities to address urgent community needs that resulted from the COVID-19 pandemic.
- Distributed over 10,000 at-home STEM resources for children and teachers in our operating areas.
- Expedited our annual Give for Good employee giving campaign, which raised \$1.4 million.



SUPPORTING DIVERSITY AND INCLUSION EFFORTS

- Launched our Inclusion and Equity Grants program to support Black community organizations in Oklahoma City.
- Honoring the Tulsa community’s support of legacy WPX Energy with grants focused on economic development, education, social services and community enrichment.



Community Engagement

Working together

TAKING ACTION

- **Worked in concert with the MHA Nation to prevent the spread of COVID-19** on the Fort Berthold Indian Reservation in North Dakota.
- Supported **Cheyenne Frontier Days in Wyoming**, a favorite cultural celebration in the state.
- Continued our **leadership in the Permian Strategic Partnership**, an industry coalition seeking to strengthen and improve quality of life in west Texas and southeastern New Mexico.
- Supported the Oklahoma Energy Resources Board (OERB) and their **efforts to clean up abandoned well sites and promote road traffic safety**.
- Maintained relationships with county emergency managers and local officials across our operating areas to **ensure community readiness**.

Earning the trust of our stakeholders by what we say and do is part of the Devon culture. We're committed to building relationships of mutual respect as we work with our stakeholders – including our coworkers and their families, shareholders, neighbors, landowners, mineral-rights holders, policymakers, lawmakers, suppliers, vendors, services companies and schools. Together, we can find solutions and lay the foundation for ongoing cooperation.

We recognize that the industrial processes and equipment used to develop oil and natural gas can cause noise, traffic and other issues that affect our neighbors. Devon is dedicated to improving the compatibility of our operations in the communities where we do business and helping mitigate the impact of industry activity. We've worked with local housing developers, industry coalitions, state agencies, business owners, individual landowners and others to enhance safety and quality of life in the vicinity of oil and gas operations.

With our safety focus, Devon has a history of partnering with the emergency responders who protect our communities. Although the COVID-19 pandemic prevented the roundtable dinner discussions we've hosted for emergency responders in DeWitt County, Texas, since 2014, we hope to renew these events in the future. In 2020, we continued our practice of contributing to first responders to help them acquire trucks, training, equipment and supplies to support their important work in our operating areas.

Nearly all of our Williston Basin operations in North Dakota are located on the Fort Berthold Indian Reservation, home of the Mandan, Hidatsa and Arikara Nation (MHA Nation). To be a prudent operator there, Devon collaborates in a straightforward manner to earn and maintain the respect of the MHA Nation. Throughout 2020, this included implementing policies to reduce the potential spread of the COVID-19 virus and working to comply with the MHA Nation's COVID-19 practices. We also assisted the tribal communities through charitable giving for educational, health and safety endeavors, such as the American Indian Cancer Foundation and local fire and ambulance services.



In coordination with the BLM, employees in southeast New Mexico install picnic grills on National Public Lands Day.



Community Engagement continued

Community solutions in the Permian Basin

As one of the largest producers in the Permian Basin, Devon is quite aware of the promise and challenges that stakeholders face in this prolific oil production region. Following years of intensive development, the region encompassing Devon's Delaware Basin assets in southeastern New Mexico and west Texas became the highest producing oilfield in the world in 2019. It's a major contributor to America's energy security, as well as significant regional economic development and job creation. However, the increase in activity and influx of workers also has put a strain on the region's infrastructure, education, healthcare, housing and social services.

Energy companies, including Devon, recognized the challenges and formed the Permian Strategic Partnership (PSP) to strengthen and improve the quality of life for residents in the region. The PSP partners with local leaders to develop and implement strategic plans to bring about superior schools, safer roads, quality healthcare, affordable housing and a trained workforce.

The Permian Strategic Partnership has been an effective catalyst for building regional capabilities for community development. Devon is proud to be a leader in this industry coalition that is giving the Permian Basin the tools and resources it needs to reap the benefits of being a state, national and global focal point for energy development.

Permian Strategic Partnership (PSP)

In 2021, Devon's executive vice president and chief operating officer is a member of the PSP board of directors and our vice president of public and government affairs serves on the PSP management committee. Through our \$10 million, multi-year investment in PSP, Devon is working together with 16 other member companies for an even greater impact. Since its formation in 2018, PSP has directly invested \$48.5 million in Permian Basin initiatives including:

Education: \$21.5 million

Strengthening public education by helping secure National Board for Professional Teaching Standards Certification opportunities for teachers, partnering with stakeholders to advance internet capacity and access for students across Eddy County, and other initiatives.

Workforce: \$11.6 million

Developing the regional workforce by supporting the Hobbs Career and Technical Education Center, Catalyst workforce project, Southeast New Mexico (SENM) grants initiative and similar efforts.

Healthcare: \$9.3 million

Expanding access to health care through Texas Tech University Health Science Center (TTUHSC) programs for physician assistant training, medical residency, family medicine and mental health, as well as the Permian Basin Healthcare Assessment (phase 1).

Road Safety: \$1.1 million

Improving road safety by distributing life-saving equipment to first responders and assisting local law enforcement agencies in securing grants for expenses related to preventing the spread of COVID-19.



STEM

Educating our future workforce

TAKING ACTION

- Responded quickly to local school closures caused by the COVID-19 pandemic by **holding drive-through distributions of more than 10,000 at-home resources** for STEM learning.
- Impacted **15,000 students, 26 schools and 450+ teachers** through our STEM investments.
- Stepped up as a **lead contributor to Camp Trivera**, the Girl Scouts of Western Oklahoma's new urban STEM camp.
- Expanded our **Oklahoma FFA Agriscience Fair sponsorship** to Wyoming.
- Expanded Devon's **Terra Trooper Girl Scout badge program** to New Mexico.
- **Developed STEM camps** to incorporate the entire family.

Devon's capacity to build a workforce with strong technical know-how and creative problem-solving skills will be a key factor in our long-term success. Investing in education can help us achieve both our technology leadership goals and our vision for diversity, equity and inclusion (DEI). We focus our social investments on STEM (science, technology, engineering and math) education to build STEM capabilities in students, with particular focus on girls, ethnic minorities and rural communities. These groups are a growing part of the workforce, and we're working to increase their representation in STEM fields.

Technology is transforming our company, from mobile apps to improve safety and environmental performance in the field, to artificial intelligence programs that optimize drilling, well completions and production. People with diverse backgrounds and new ways of looking at problems help us develop unique, and even patentable, technology solutions. At the same time, as racial and social equality gain more prominence in the national conversation, Devon is committed to addressing inequality wherever it is found. Our investments in local STEM education support progress in both of these vital areas.

To direct our philanthropic investments to the most promising programs, Devon identifies community needs and solutions by partnering with qualified organizations that have a track record in STEM. This includes the Oklahoma City STEM Collaborative, Oklahoma City Public Schools Foundation and other nonprofit partners, as well as teachers and administrators across several school districts. Insights from our conversations with stakeholders guide us to provide resources and materials and implement programs to empower groups that have been underserved in the past.



SUSTAINABLE DEVELOPMENT GOALS

United Nations member states adopted 17 Sustainable Development Goals in 2015. Education is an integral component of sustainable development, providing the platform for meaningful employment, economic growth and technological innovation. Jobs that require a foundation in STEM are increasing annually; however, many underrepresented populations lack access to educational resources in these fields of study. Through partnerships with local foundations, schools and others, Devon seeks to provide early exposure to STEM by supplying resources for, and integrating experiences into, children's education. In doing so, Devon endeavors to align with the United Nations goal to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



At-home STEM resources were a hit with parents and kids during the pandemic.

"Our entire curriculum of teaching STEM in our elementary schools relies on having contact with students in our classrooms and STEM labs. Without Devon's help, these science activity kits for each grade level would never have been in our students' hands."

– Artesia Public Schools science consultant

"So much fun! This has made her light up with smiles for the first time in weeks!"

– Parent of a fourth grader

"He's so excited and happy he and his brother both received a snap circuit kit. This gives them the perfect opportunity to be creative and still learn about science while they're home through the pandemic."

– Parent in Hobbs, New Mexico



STEM continued

STEM education model

Devon significantly enhanced our STEM capabilities in 2019 by convening local and national nonprofits, corporations and private foundations to develop a new STEM model. One of our partners, the Cal Ripken, Sr. Foundation, is a driving force in changing how students and families interact with STEM resources in schools and communities.

The Ripken Foundation has transformed outdated school rooms into state-of-the-art, bright and engaging STEM resource spaces that allow STEM learning to become increasingly integrated into children’s education. Teachers are well-trained and receive STEM resources to inspire students and increase their understanding of basic circuitry, coding, robotics, engineering and more.

After seeing success with our first STEM model school, Mark Twain Elementary School in Oklahoma City, we expanded STEM resources in other areas where we operate. When schools shut down due to the COVID-19 pandemic in spring 2020, Devon and our partners took quick action to get resources directly to families. Over 10,000 at-home resource kits with STEM materials provided by the Ripken Foundation, Inspired by Science, Smart Start and Central Oklahoma STEM Alliance (COSTEMA) were distributed using drive-through pickups across our operating areas. In addition, 1,015 Ripken at-home STEM kits were distributed in Oklahoma City; Cuero, Texas; and Carlsbad, Loving, Jal, Eunice and Hobbs, New Mexico.

While the pandemic delayed the planned installation of 14 STEM centers across Lea and Eddy counties in New Mexico, we resumed the plan in 2021 and started working to pilot our first middle school STEM center where students from the feeder elementary school can continue their STEM learning. STEM centers also will be installed in Oklahoma City; Douglas, Wyoming; Kingfisher, Oklahoma; and Cuero. In Tulsa, Oklahoma, Devon will honor legacy WPX Energy by installing a STEM center in every public elementary school over the next few years.



STEM programs in our operating areas

We seek to support STEM education opportunities in the communities where our employees live and work. Many of the activities we support were suspended in 2020 due to the pandemic, but we remain committed to these organizations and plan to support them when they reactivate.

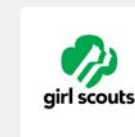


Ripken Stem Grant

Devon is committed to helping inspire young people to pursue an interest in STEM subjects by working together with schools and community organizations to enhance access to STEM education. Through our signature STEM grant program, Devon has made more than \$1 million in grants to educators in our U.S. operating areas in the past eight years. In the Oklahoma City area, Devon’s investments in STEM education have provided more than 88,000 K-12 students better access to educational opportunities. In addition, Oklahoma teachers have been able to enhance their instructional time with students through more than 30 Devon grant programs.

Design + Do

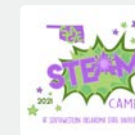
We introduced Design + Do in 2018 to give children a hands-on opportunity to have fun and build STEM skills while solving problems. Fifth graders come together at the University of Oklahoma Tom Love Innovation Hub to design and construct prototype parade floats using 3D printers, laser cutters and other materials. They then present their creations to a panel of judges. In 2020, Devon employees helped the children build one of their float designs for our Oklahoma City Martin Luther King Jr. Holiday Parade and walk with our parade group.



Girl Scouts

As a long-time partner of the Girl Scouts of Western Oklahoma, Devon stepped up to be a lead contributor to Camp Trivera, an urban STEM camp that opened in September 2020. In addition to learning STEM skills, campers get opportunities for leadership and learning the Girl Scout mission – building girls of courage, confidence and character.

Devon geologists and engineers stepped up, too, developing age-appropriate STEM activity kits and leader guides to engage girls in earth sciences, geology and related topics. At year-end 2020, about 900 girls had received a Devon Terra Trooper patch for completing a STEM activity. The Terra Trooper program started in Oklahoma in 2014, expanded to southeastern New Mexico in 2020 and will become available to Tulsa Girl Scouts.

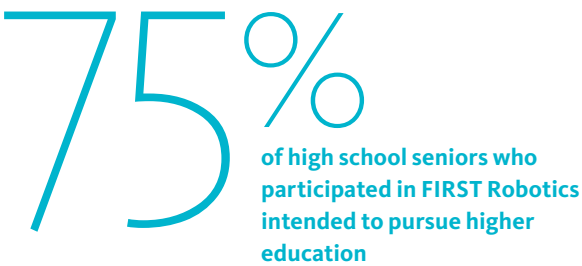
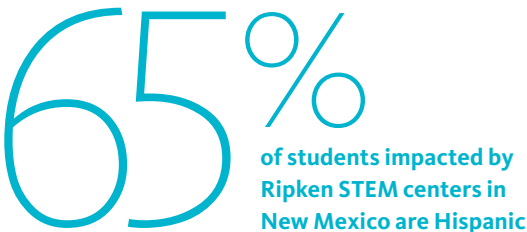
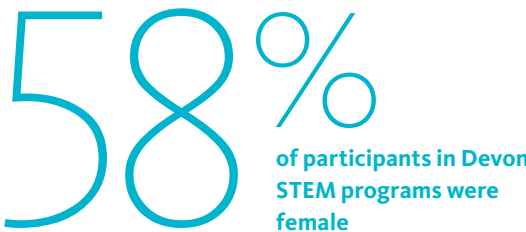
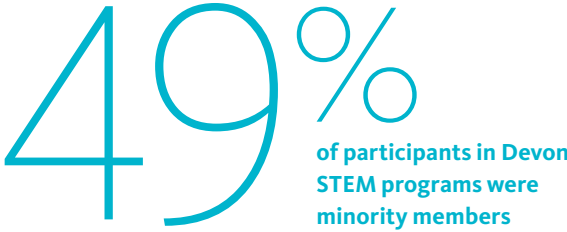


Southwest Alliance for Girls’ Enrichment (SAGE)

Devon invests in the week-long SAGE camp designed to empower girls to think about themselves as future scientists, mathematicians and computer specialists. Our partnership offers campers interactive field trips exploring various Devon departments where STEM learning has led our professionals to rewarding careers.



STEM continued



STEM programs in our operating areas (continued)



FFA Agriscience Fair
Devon partners with the Oklahoma FFA to encourage students to consider the ways in which the agriculture and oil and gas industries intersect. We expanded the program to Wyoming in 2020. Across both states, 216 students participated in projects related to oil and gas in their annual FFA Agriscience Fair in 2021.



Devon Thunder Explorers
Devon and the NBA's Oklahoma City Thunder offer a program that encourages young people to engage in STEM activities that explore the science behind basketball. The Thunder's visibility and popularity helps extend the reach of Devon's STEM program, and gives special recognition to students who complete science experiments and other challenges.



FIRST Robotics
Devon has sponsored the Oklahoma First Robotics regional finals since 2017. The six-week competition pairs teams of young people from across the state with local engineers, professors and business professionals to solve engineering design problems. FIRST (which stands for "For the Inspiration and Recognition of Science and Technology") is a nonprofit founded in 1989 to inspire young people to join the field of science and technology.



Inspired by Science Camp
In partnership with the Carlsbad Community Foundation, Devon hosts a one-week STEM-focused summer camp for third through fifth graders, offering free admission for students identified as disadvantaged by school counselors. Students are exposed to STEM-related careers, and learn how to solve problems and apply critical-thinking skills during hands-on activities.



Oklahoma City Dodgers MVP Program
This program recognizes and rewards outstanding students for their achievements in science and math in more than 400 classrooms across Oklahoma City. Third- and fourth-grade students are selected to receive tickets to a game and the opportunity to attend the MVP Field Day featuring STEM activities. The program is free to teachers, who also receive tickets to an Oklahoma City Dodgers game where MVPs are honored. More than 11,300 students have been impacted by the MVP Program co-sponsored with Devon by the Triple-A affiliate of MLB's Los Angeles Dodgers.



Balloon Explorium
The Paper Takes Flight event combines the fun of hot-air ballooning with an education in the science of energy for all fifth-grade students enrolled in Artesia Public Schools in New Mexico. Students work together to build six-foot balloon envelopes from tissue paper that will launch using heat energy. This hands-on activity focused on engineering, math and thermodynamics expands on classroom curriculum in an engaging way.



Jal, New Mexico, School Rocketry Program
In this annual competition, Devon pays for students to travel to Houston to present their rocket designs to a team from NASA.



COSTEMA
We partnered with the Central Oklahoma STEM Alliance for the first time in 2020 to further its mission to enhance STEM education. Devon supports COSTEMA's STEM Leadership Academy, a virtual event that inspires educators by providing professional development opportunities centered around their personal leadership, hands-on learning and peer engagement. The educators explored STEM learning and family engagement, with all their STEM learnings culminating in the Scissortail Kite Festival.



Philanthropy

Vibrant communities

TAKING ACTION

- Expedited our annual **Give for Good employee giving campaign that raised \$1.4 million** to help our community partners meet intensive needs caused by the COVID-19 pandemic.
- Established **Inclusion and Equity Grants to support effective community programs** in Oklahoma City and donated to nine organizations that are making a difference.
- Committed to honor the Tulsa community's support of legacy WPX Energy with **a series of grants focused on economic development, education, social services and community enrichment**.

We invest in vibrant communities where our employees and neighbors have access to vital social services and opportunities to enjoy arts and culture. As a leading philanthropic contributor to nonprofit organizations in our operating communities, Devon's support aligns with our value to make a positive and sustainable impact.

Devon's Give for Good campaign is our primary philanthropic event each year. In 2020, we expedited the campaign to make funding available to meet significant community needs heightened by the pandemic. Employees gave generously to our "give if you can, give if you want to" campaign that raised over \$1.4 million for United Way of Central Oklahoma, the Regional Food Bank of Oklahoma, and United Way and Blessing in a Backpack in Wyoming. The donations provided much-needed resources for children, seniors and families.



Employees also had the opportunity to respond to the Food Bank's challenge to fill boxes leftover from Christmas with non-perishable food items to supplement the pandemic-related decline in donations during the holiday season.

Arts and culture for all

We're committed to making our hometown of Oklahoma City a lively and appealing place to live, work and play, and we recognize that visual and performing arts are vital to reaching that goal. Devon supports many local arts and culture organizations, including the Oklahoma City Ballet, Arts Council of Oklahoma City, Oklahoma City Museum of Art, National Cowboy and Western Heritage Museum, and Lyric Theater. We also hold an annual fundraising campaign for Allied Arts to support more than 40 local arts organizations.

Nature and conservation

Devon is a long-time supporter of The Oklahoma Nature Conservancy and its focus on sharing the love of nature and conservation throughout the state. We support the organization's ground stewardship activities, such as controlled burning for range management, invasive species control and scientific research. Our dollars helped stand up operations at the newest preserve on the Blue River, Oka' Yanahli, which encompasses 3,600 acres of native prairie and two miles of the river.

Each year, Devon participates in National Public Lands Day in New Mexico, a project to repair and restore public recreation areas. We've also partnered with the Wyoming Conservation Corps (WCC) for the past 14 years, contributing funding and volunteers to improve public lands in the state.



Honoring Tulsa

To express our appreciation for the Tulsa community and its support of legacy WPX Energy, Devon is making a series of grants to advance initiatives including:

- Economic development focused on building leadership capacity and the future workforce, strengthening entrepreneurship and supporting minority-owned businesses.
- Education, including establishing a Cal Ripken Sr. Foundation STEM Center in every Tulsa Public Schools elementary school and expanding the Devon Terra Trooper STEM patch to Girl Scouts in Tulsa.
- Social services to support senior citizens, youth and the overall health of the community.
- Arts and cultural organizations, including the Gilcrease Museum, First American Museum, Gathering Place and the Black Wall Street Chamber.



Philanthropy continued

Inclusion and Equity Grants

Listening to our stakeholders helps Devon understand needs in the community and invest in programs that make a real difference in people’s lives. Our ongoing conversations about social and racial justice issues inspired us to expand our social investments beyond our established focus areas in Oklahoma City. With the help of Devon’s employee-led DEI Team, we identified existing programs we hadn’t supported before. We awarded our first Devon Inclusion and Equity Grants totaling \$100,000 to nine organizations having a positive impact in the community. Our intent is to cultivate new partnerships like this annually and to be accountable for helping them achieve their missions.

Beta Eta Lambda Foundation (\$5,000) for the 2020-21 Alpha Boys Institute program aimed at preventing school dropouts and crime. Sixth-grade students receive mentoring services including conflict resolution, life skills and financial management. Seventh graders participate in robotics programming and eighth-grade students learn entrepreneurship. Additionally, participants receive a weekly food distribution.

Foundation for OKC Public Schools (OKCPS) (\$25,000) for financial and academic support for paraprofessionals of color already working in OKCPS to finish college and earn their teaching certification, without any debt. Upon successful completion of the program, the paraprofessionals are committed to serve as full-time teachers in OKCPS for three years.

Hope for Generations (\$5,000) for a new program designed to support single mothers in the Lyrewood community with meals, supplies for engagement activities and local speakers.

Nappy Roots Books (\$10,000) for its Sankofa Summer Academy which serves 50 students with a focus on growing and nurturing leaders in the northeast community.

OKC Black Eats (\$8,500) to fund the Black Eats Freedge, a free community refrigerator. OKC Black Eats collects food from local grocery stores and eateries and provides them for free to the northeast community. Devon’s grant also supports OKC Black Eats’ Urban Plan to Community Building workshops focused on revitalizing economically depressed neighborhoods by attracting retail, residential and business spaces.

Restore OKC (\$25,000) to assist with funding The Market at EastPoint, a community-led grocery store in northeast Oklahoma City. Much of the produce will be provided by Restore Farms, an urban agricultural project led by high school students. Restore OKC will pay a third party to manage the store, but all the jobs inside the store will be from Restore Jobs, which provides jobs to single mothers.



Shiloh Camps (\$10,000) to help support its summer programming for teens, including high adventure activities, character-building activities and a safe place to foster positive, healthy relationships.

Stronger Together Movement (\$5,000) to launch a membership drive to further engage the Oklahoma City community in Stronger Together’s mission to further racial equity education across the metro area.

Urban League (\$6,500) to support the social justice program, part of the Urban League’s efforts to promote equality and equity for African Americans.



Volunteerism

Giving back

TAKING ACTION

- Provided **resources to help employees volunteer from home or the office** while in-person opportunities were on hold during the COVID-19 pandemic.

Devon volunteers are an asset to their communities, amplifying the company's support for children, families, education and the arts. We encourage and support our employee volunteers with ongoing communication and resources. In 2020, this meant promoting activities our employees and their families could do from home or the office. In some cases, we connected them to activities organized by our partners like the Oklahoma City Chamber of Commerce, Regional Food Bank of Oklahoma and the Oklahoma City Thunder.

For example, Devon provided contact information so employees could send notes of appreciation to emergency responders and United Way agency workers on the front lines, and correspond with people quarantined in senior centers in our operating areas. Employees made protective face masks and donated them to benefit Oklahoma City's homeless population and the United Way in New Mexico. The Virtual Mystery Reader Program at Mark Twain Elementary School, our long-term partner in Oklahoma City, gave employees an easy way to engage students who were learning remotely.

The Devon Energy Charitable Foundation gives employees a chance to help coworkers who encounter unexpected hardships or damages. Since we established the foundation in 2001, employees have contributed more than \$365,00 to about 180 coworkers experiencing severe and unanticipated financial needs.

\$365,000

Employees have contributed more than \$365,000 to about 180 coworkers experiencing severe unanticipated financial needs.

The Holidays at Devon

The pandemic didn't dampen the holiday spirit or the Devon tradition of giving. Employees in all of our operating areas found ways to give back by distributing food boxes, granting foster children's gift wishes, delivering holiday craft boxes for elementary students and other activities. We partnered with the Oklahoma City Thunder, local food banks, United Way agencies and other organizations to share the holiday spirit.





Human Rights

Dignity and equal rights

Devon incorporates human rights into our business decisions, continually evaluating how we might keep ourselves and others aware of the key issues. We engage with our stakeholders, vendors and suppliers to continue to improve our approach.

All people are created equal

The Universal Declaration of Human Rights, proclaimed by the United Nations General Assembly in 1948, recognizes the inherent dignity and the equal and inalienable rights of all members of the human family. Human rights are the foundation of freedom, justice and peace in the world, and Devon is committed to this philosophy. Our core values embrace social progress and economic growth, consistent with the Guiding Principles on Business and Human Rights endorsed by the U.N. Human Rights Council in 2011.

We're also guided by the principles articulated in the Declaration of Fundamental Principles and Rights at Work adopted by the International Labor Organization in 1998. These principles include prohibition of child labor, forced labor and discrimination in the workplace.

Devon participates in the lives of the communities where we live and operate, and we actively engage with our neighbors to understand the environmental and human impacts of our operations. When assessing and addressing these impacts, we consult with those who may be affected.

[Devon's Human Rights Statement](#)





Workforce

Bringing our best every day

The Workforce section of our 2021 Sustainability Report includes:

Overview	61
Our Culture	62
Diversity, Equity and Inclusion	64
Employee Wellness	67

Resource Links:

- [Code of Business Conduct and Ethics](#)
- [Mission Statement, Vision Statement and Core Values](#)
- [Diversity, Equity and Inclusion Vision](#)
- [2021 EEO-1 Report](#)





Overview

Devon strives to produce the oil and gas the world needs in a safe, ethical and environmentally responsible way, all while meeting high expectations for operational and financial performance. In the face of daunting challenges in 2020, our employees proved resilient and determined in continuing to improve our company’s performance.



SUSTAINABLE DEVELOPMENT GOALS

The United Nations has established 17 Sustainable Development Goals (SDGs). They’re part of a globally agreed-upon action plan for organizations seeking to provide affordable energy, produced responsibly to protect the environment, while also promoting peace and prosperity for all people. In this report, we have identified a wide variety of Devon’s business activities that align with the U.N. SDGs. Here in the workforce section, look for:

- 


Gender Equality
page 66
- 

Good Health and Well-being
page 67


Our corporate culture is based on integrity and supportive relationships, giving our people the courage to take intelligent risks with a shared desire to achieve great results. We want to be a caring and connected company where employees feel that they’re heard, seen and valued, and have opportunities to contribute and grow.

Devon supports individual, team and company progress with family-friendly workplace practices, wellness programs and opportunities to make and be accountable for decisions. We communicate proactively with employees about our goals and performance. We do not accept the status quo of social and racial inequality, and we’re working to cultivate inclusive, diverse, equitable and respectful communities inside and outside our company.

Taking Action

- 

UNITING CULTURES

 - Introduced blended values following our merger to guide us in becoming a cohesive and high-performing Devon.
- 

COMMUNITY OUTREACH

 - Funded nine community programs in Oklahoma City through our new Inclusion and Equity Grants.

Workforce Metrics

**Unless otherwise noted, all data presented is pro forma for Devon and WPX.*

	2018	2019	2020	2021
Headcount (total company)	2,727	2,352	2,022	1,645 ²
Minorities as a Percentage of Workforce ¹	18%	19%	21%	22%
Women as a Percentage of Workforce ¹	29%	28%	27%	24%
Women in the organization declined by 3% in 2021 primarily related to the WPX merger and location of Devon's corporate headquarters in Oklahoma City. For WPX employees in Tulsa, a lesser percentage of females were willing to relocate than males.				
Minorities as a Percentage of Leadership	12%	11%	13%	15%
Women as a Percentage of Leadership	20%	20%	20%	15%
Women in leadership declined by 5% primarily related to the WPX merger and location of Devon's corporate headquarters in Oklahoma City. For WPX employees in Tulsa, a lesser percentage of females were willing to relocate than males.				
Years of Service				
Less than 5 years (percent of headcount)	42%	35%	33%	36%
5-9 years	30%	37%	41%	38%
10-14 years	17%	17%	14%	15%
15-19 years	6%	6%	7%	8%
20-24 years	2%	3%	3%	2%
25+ years	3%	2%	2%	1%
Median Age	40	40	40	40
Attrition Rate	9%	7%	3%	5%

¹ As defined by the U.S. Equal Employment Opportunity Commission.
² Marginal difference compared to total headcount in EEO-1 due to timing for the calculations.

[EXCEL DOWNLOAD](#)

Advancing pay equity and workforce composition

To build the workforce we need, we must offer equitable pay and opportunities across the company. We’re measuring our performance and always looking for ways to further align our practices with our aspirations.

- Peer employee pay equity**
The salaries of female and minority employees are, on average, positioned equivalently (+/-2% to accommodate workforce changes throughout the year) within the applicable job pay range as males and non-minorities.
- Employee base pay compensation**
100% of employees make more than \$19/ hour and receive an annual performance bonus and long-term incentives.

COVID-19 RESPONSE

- Supported employees with flexible working arrangements, responsive wellness programs and frequent communications during the COVID-19 pandemic.
- Shifted to virtual delivery for all physical, mental and financial wellness programming.



DIVERSITY, EQUITY AND INCLUSION

- Continued our focus on equity in our pay structure and workforce composition.
- Improved internal and external talent practices to reduce bias and increase diversity of candidates.



Our Culture

Blending values to achieve our shared mission

TAKING ACTION

- Defined and introduced blended values – **integrity, relationships, courage and results** – to guide us in becoming a cohesive and high-performing Devon.
- Supported employees with **flexible working arrangements, responsive wellness programs and frequent communications** to meet their needs during the COVID-19 pandemic.

To create an environment where our employees give their best effort every day, we're guided by principles of fairness, opportunity and the chance for every employee to fully participate and be heard. We value diversity of thought in our workplace, and we seek to include and learn from each other as we share our successes and setbacks.

Motivated by the Devon culture, our employees worked on demanding business, operational and ESG priorities in 2020. While demonstrating resilience in managing through the pandemic and related economic crisis, they set the stage to begin integrating two legacy companies when our merger of equals closed in January 2021.

Devon recognized that uniting in a shared culture is crucial to successfully integrating our people, processes, practices and systems. So we began a process to define a culture that blends essential elements from both legacy companies. The process included a survey of all employees, executive interviews, focus groups with vice presidents, and culture conversations with the executive committee and vice presidents.

The resulting blended values – integrity, relationships, courage and results – naturally build on each other to guide us in our work. We believe these values will enable us to become a cohesive company, making a positive and sustainable impact.

High-performing team

We value employees who are open and honest, take ownership and individual initiative, and contribute to our company objectives. Our effort to cultivate a workforce with these qualities starts with offering equal opportunity in all aspects of employment and providing competitive compensation and benefits. To encourage a sharp focus on results, Devon gives every employee an equity stake in our business through annual stock awards.

Devon offers wellness programs that encourage physical, mental and financial well-being. Our employee-friendly practices include flexible work schedules, part-time work,

telecommuting and parental paid leave. We modified our work practices at the outset of the pandemic and continue to make adjustments that help employees fulfill work and family responsibilities. Devon senior leaders ultimately believe that relationships lead to results, and both are largely driven by in-person interactions. We continue to monitor our practices and will make adjustments as needed to achieve our business objectives and accommodate employee needs.

88%
of employees surveyed said they received just the right amount of feedback from their leader

96%
of employees surveyed said the feedback was helpful

Devon's values

The newly blended values naturally build on one another to achieve results.



Integrity

Openness and honesty unite us and are at the core of everything we do.



Relationships

We are caring, connected and supportive of our employees and stakeholders and succeed as one team.



Courage

We take intelligent risks and share our successes and failures to continuously improve.



Results

We always seek to achieve better results and make a positive and sustainable impact.



Our Culture continued



Using a new model for performance management is helping to drive better communication at every level of the company.

Proactive communications

Devon has executed a strategy in recent years to become a leading, returns-driven U.S. energy producer with a strong commitment to improving ESG performance. Our progress continued in 2021 when we welcomed legacy WPX employees, intentionally building blended teams to embed the most effective approaches throughout our business.

With streamlined processes and a flatter organizational structure, Devon employees are empowered to take intelligent risks, make informed decisions and be accountable for their results. To accelerate learning, we've shifted our focus from structured training to experiential learning opportunities. Performance management occurs through frequent conversations focused on alignment, growth and development, so employees know what they need to do to make an impact every day.

We set clear goals for financial, operational and ESG improvement, and our leaders communicate at the enterprise, business unit, team and individual levels to inform everyone at Devon what we're planning and how we're doing. Our leaders encourage frequent conversations to create clarity, context and accountability, as well as to listen and be responsive to employees.

In addition to internal communications channels, topical surveys help us stay in touch with our employees. These short, focused surveys give us quick results on timely issues, and in 2020 helped us gauge employees' experiences during

the pandemic and collect input on their needs. We also conducted a companywide organizational health index survey in 2020 to examine the cultures of each legacy company, identify potential differences and understand what employees would value most as Devon moves forward. We'll continue to use surveys, focus groups and conversations to gather employee feedback in a structured way.

Relationships built on trust are central to the Devon culture and our ability to deliver results.

We communicate proactively, listen carefully and seek diverse opinions that challenge our thinking.

In 2021, we're focused on integrating our legacy organizations, improving team and company performance, adapting to changing market conditions with agility and delivering on our commitments to stakeholders.

Workplace practices at a glance

Flexible workplace enables people to work from home one or two days per week if they need or want to, based on the type of work they do, and their need for team collaboration and integration.

Alternate work schedule (or 9/80) allows flexible work schedules for eligible employees, where possible, to balance work, personal business and personal activities.

Paid parental leave is available for new parents, offering up to two weeks of leave for the care of, and bonding with, a biological, adopted or foster child. In addition, leave for the birth of a child is paid for up to eight weeks.

Military leave is available to deployed employee military service members. They receive full salary for three months and differential pay above the military standard for an additional nine months. Devon service members and their families enrolled in the health care plan will also remain covered for 12 months.

Employee Assistance Program (EAP) provides support for employees and their family members free of charge. The EAP offers confidential assistance for challenges that could affect health, relationships and/or job effectiveness. Access to experienced counselors, financial experts, staff attorneys, elder-care consultants and concierge services is included in EAP services available 365 days a year, 24 hours a day.



Diversity, Equity and Inclusion

Valuing differences

TAKING ACTION

- Committed to courageously address inequity wherever it exists and **provide all employees the opportunity to contribute and grow.**
- Ongoing efforts to understand social and racial inequality, and enhance the work life experience, as steps toward **improving our community and our company.**
- Developing actionable plans to address common themes** from these efforts: education, internal and external commitment, and measurement and accountability.
- Funded **11 community programs in Oklahoma City**, including nine with new partners, through our new Inclusion and Equity Grants.
- Continued sponsoring women's professional groups** that offer professional development, leadership roles and networking for Devon employees.

Innovation, creative problem-solving and positive change happen when people step out of their comfort zone and think differently. To break barriers to achieving business results, it's part of our culture to value differences, include others and courageously address inequity wherever it exists. We cultivate an inclusive, diverse, equitable and respectful workplace, and engage with our communities to understand how Devon can make a difference beyond our workplace.

Our Diversity, Equity and Inclusion (DEI) vision is: Every person contributing to their fullest and making a positive impact every day. To make this a reality, we have active participation from our senior leaders, committed volunteer inclusion and diversity (I&D) leaders and allies, and I&D programming.

- The DEI Leadership Team of senior leaders champions strategies to achieve our vision and supports others by coaching, motivating, breaking down barriers and listening.
- The volunteer DEI Team strives to proactively increase awareness, identify challenges and find innovative ways to achieve our DEI vision and strategy.
- Our Human Resources team guides and advises the DEI Team with strategic support, tools and resources for success.

What DEI means at Devon



Diversity

We believe it is foundational to Devon's success that our team includes people with a variety of backgrounds, perspectives, experiences and abilities.



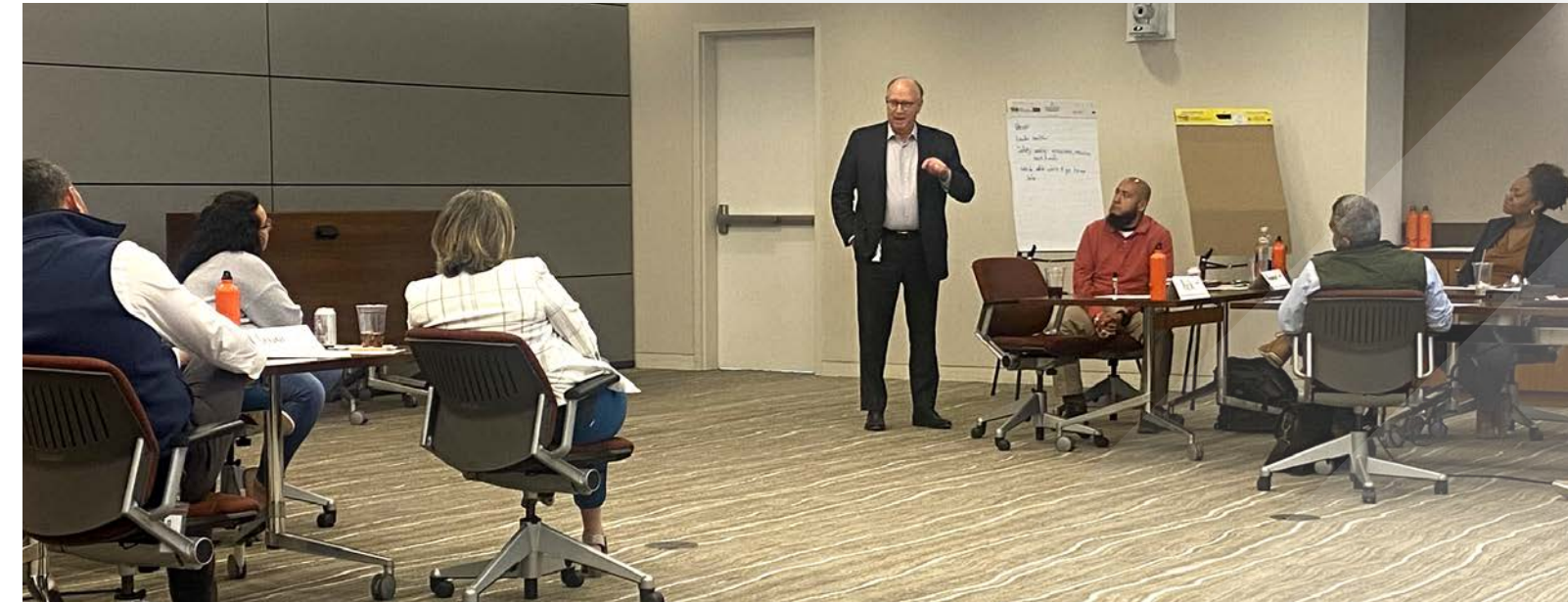
Equity

We believe fairness is at the core of our culture, policies and practices, and strive for all employees to have equal access to opportunities.



Inclusion

We believe in relationships and will ensure all employees feel seen, valued, heard and connected.



President and CEO Rick Muncrief participates in a DEI Team quarterly meeting and discusses his personal journey, belief system and echoes the importance of advancing diversity, inclusion and equity at Devon.



Diversity, Equity and Inclusion continued

Promoting equality and equity

We started 2020 by sponsoring and marching in the Oklahoma City Martin Luther King Jr. Holiday Parade for the second year. The DEI Team brought forward the parade idea and we see it being embraced as a tradition at Devon. Fifth-graders involved in our Design + Do science, technology, engineering and math (STEM) program joined our parade team in a float the students designed and built with help from Devon volunteers.

As our nation was jolted in 2020 by racial strife, Devon took a fresh and critical look at our DEI efforts. We recognized the status quo was not acceptable and devoted more time and attention to listening and to learning about race and how Devon can take positive action.

We've been having sometimes-difficult conversations about inequality, inside and outside the office. In 2020, we invited the Rev. Clarence Hill Jr., founder of the Stronger Together Movement, to share his Dream Clock process for building understanding among communities. Hill joined us again in February 2021 to lead a discussion about Dr. King's "Letter from a Birmingham Jail" on opposing inequality.

The DEI Team suggested changes to some processes, data and transparency to address opportunities at Devon. Their suggestions highlighted how our talent practices, along with eliminating layers of management, impact career development. We're evaluating policies and processes we can implement to increase opportunities to contribute and grow within our company.

The common themes that emerged from our exploration of social and racial justice were the need for bias training, internal and external demonstrations of commitment, and measurement and accountability. We're creating actionable plans to address these themes, such as updated bias training for leaders and employees, and looking for additional education opportunities to help us keep learning and growing.

Improving the diversity of Devon

In 2021, the number of women in the company declined by 3% and women in leadership declined by 5%. This was primarily related to the WPX merger and location of Devon's corporate headquarters in Oklahoma City. Of the WPX employees in Tulsa, a lesser percentage of females were willing to relocate than males. While a setback, our commitment toward achieving and maintaining a more diverse workforce is unchanged. We believe it's foundational to our success and we are working to improve through:

- Implementing senior-leader action teams to continually review diversity practices and opportunities for action.
- Implementing revised recruiting practices to improve the diversity of candidates and to recognize and address bias in decision making.
- Implementing leadership development and mentoring opportunities with a focus on preparing diverse employees for advancement.
- Reviewing benefits and workplace practices to improve flexibility and inclusiveness.
- Partnering with Cristo Rey Catholic High School to provide work-study opportunities for a diverse student population.

Looking outward

Devon has a long history of social investments in underserved communities, with a focus on boosting STEM education. In 2020, after evaluating how our investments could have more impact, we worked with the DEI Team to create an Inclusion and Equity Grants program.

The team solicited funding requests and made 11 grants ranging from \$5,000 to \$25,000 to nine Black community organizations in Oklahoma City (read more on page 57). We set out to find new community partners with existing programs and met our goal, partnering with nine organizations for the first time. We also assisted one of our long-time partners, Oklahoma City Public Schools (OKCPS), by supporting its life-changing program to give its paraprofessional employees a chance to go to college debt-free. Upon successful completion, the participants are committed to serve as teachers in OKCPS for three years.

We're excited that our investments are helping to strengthen ongoing programs for dropout prevention, growing and nurturing young leaders, combatting hunger, community development and social and racial justice.

We're continuing our work to understand social and racial issues in our company and the communities where we live and work. We don't expect it to be easy, but it's a very real opportunity for us to live our values of integrity, relationships, courage and results.

We have a multi-year focus to advance diversity, equity and inclusion at Devon.



Engage, develop and empower diverse talent through strategies that combat unconscious bias.



Increase the belief that top-tier performance is driven by recognizing and appreciating each individual's inherent value.



Demonstrate our commitment to diversity, equity and inclusion proactively and consistently to our internal and external stakeholders.



Hold ourselves accountable to cultivating inclusive behaviors.

U.S. Equal Employment Opportunity Report

Devon is committed to publicly disclosing its annual EEO-1 Reports. The report details the company's U.S. workforce by race, ethnicity and gender across job categories established by the U.S. Equal Employment Opportunity Commission (EEOC).

[2021 EEO-1 Report](#)



Diversity, Equity and Inclusion continued

Supporting women in our workforce

For Devon to maintain our stakeholders' trust by delivering strong operational, financial and ESG results, we need dedicated employees. Our values, workplace practices, wellness programs, benefits and compensation are aimed at helping employees manage their personal life and care for their families so they can focus at work. We've also made progress with gender pay equity and promotional equity.

Yet even with these efforts, the percentage of women in the Devon workforce has declined, primarily due to reduced hiring during company integration and the number of women willing to relocate following the merger. Given our strong commitment to diversity, equity and inclusion, we remain focused on being a company where women want to build their careers.



3 of 6

Women's Energy Network of Greater Oklahoma chapter presidents have been Devon employees, including the current president.

Women at Devon take advantage of development opportunities through industry networking, professional development, volunteering and leadership roles. Devon employees represent 10% of the 2021 membership of the Women's Energy Network of Greater Oklahoma (WEN OK), an organization dedicated to empowering women in the energy industry. Three of six presidents of the WEN OK chapter have been Devon employees, including the current president. In 2021, a Devon executive serves on the Advisory Council, with 31 employees participating in the formal mentoring program. Devon is a founding and ongoing sponsor of WEN OK and pays employee memberships as part of our commitment to professional development.

Attracting and retaining women for technology jobs is important as development and deployment of technology increases across Devon. In 2020, we continued our support for Oklahoma Women in Tech (OKWIT) and its mission to better promote women in tech across Oklahoma, as well as to encourage young women to continue their interest and studies in STEM fields. Two Devon employees filled OKWIT volunteer leadership positions in 2020 and one in 2021.

Our sponsorship helps provide monthly networking/professional development events, speaker luncheons, two yearly retreats and 40 Devon employee memberships. It also funds a scholarship for a student seeking a STEM degree and planning to give back to the community.

We have an active OKWIT presence. Eight Devon employees volunteered for OKWIT's fall retreat in 2020, including the event coordinator, a speaker and two speed networking participants. The first-ever virtual retreat was attended by teachers and about 200 students from schools across Oklahoma, many who said they were inspired and invigorated by the programming and speakers.

Devon employees who volunteer for organizations like WEN OK and OKWIT bring new skills, industry connections and a broader perspective to our workplace. We believe their participation will lead to greater awareness of opportunities for women in our industry and our company.

SUSTAINABLE DEVELOPMENT GOALS

United Nations member states adopted 17 Sustainable Development Goals in 2015.

In an industry where the majority of workers traditionally have been male, Devon is taking steps to increase women's participation in the workforce and to promote equal opportunities for leadership. As Devon looks to the future, facilitating STEM education and training for women broadens the company's access to talent and encourages incorporation of diverse perspectives. Devon was nationally recognized at the highest leadership level by 2020 Women on Boards for having at least 20% of the company's board of director seats filled by women (27%).



Devon WEN members attend the Greater Oklahoma Chapter's 5th anniversary celebration in Oklahoma City.



Employee Wellness

Physical, mental and financial well-being

TAKING ACTION

- Shifted all wellness programming to virtual delivery in response to the pandemic, **resulting in increased engagement from employees in the field.**
- Offered **programming and services to address specific needs of parents during the pandemic**, including presentations guided by a mental health professional and an online support community.
- Extended our **virtual offerings through year-end 2021** to continue meeting employees' needs.
- Facilitated **COVID-19 vaccinations** for field employees and **hosted a vaccination clinic** at our headquarters for employees and their families.
- Experienced good engagement in wellness programs with **75% of employees earning the maximum employer health savings account (HSA) contribution.**

Devon truly believes in supporting the well-being of our employees. We recognize that they may be caregivers for children or aging parents, have financial issues that cause anxiety or struggle to manage competing priorities. At the same time, we need our employees to deliver results and continuously improve our environmental, social and governance performance. We consider these expectations when developing programs that can meaningfully improve our employees' physical, mental and financial well-being.

Since establishing our wellness program in 2012, Devon has focused on prevention, convenient tools and high-quality programs. Over the years, our emphasis on wellness has contributed to strong productivity and engagement, low absenteeism and high retention rates. Combined with our generous health care benefits, wellness programs have helped keep Devon's medical insurance premium costs flat or below national rates of increase for six years, excluding large one-time claims.

Feedback is a key indicator of the effectiveness of our wellness programs. Devon employees tell us that our offerings have enabled them to improve their health and make healthy lifestyle changes. This is why we've maintained the most effective core programs, even while cutting costs across Devon in recent years.

Support in difficult times

The COVID-19 pandemic was a stark reminder that employees need to be supported through difficult times and it's important to find avenues to assist them. Devon shifted all of our wellness programming to virtual delivery, such as our quarterly education series highlighting the importance of

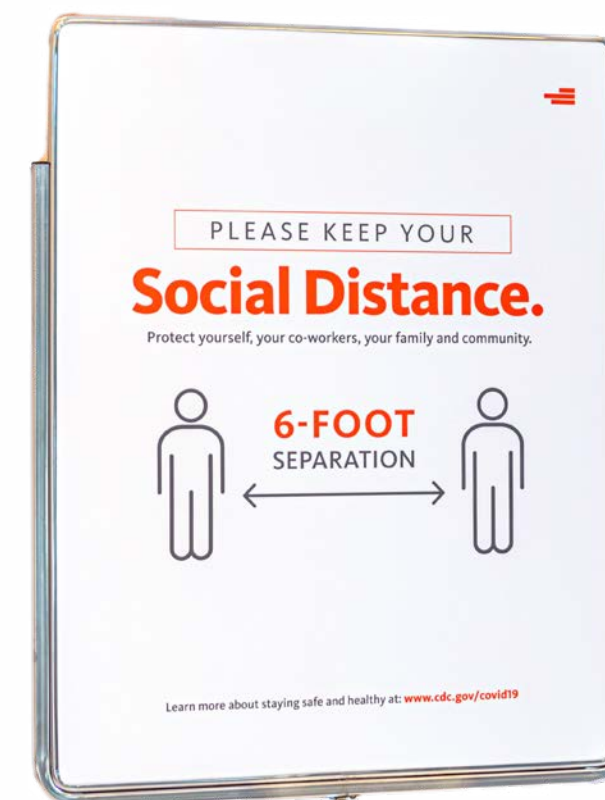
sleep, the benefits of exercise, gut health and strategies to maintain mental health. We encouraged virtual counseling sessions available through our Employee Assistance Program (EAP) and engaged a licensed clinical social worker at our clinic near Devon headquarters in downtown Oklahoma City. To help employees reduce stress, Devon offered two months of free access to a third-party platform that provides guided mindful meditation, with the option to create a personal account after the trial period.

Due to COVID-19-related restrictions in our corporate fitness center, in March 2020 we started offering virtual group exercise classes taught by the center's instructors, later expanding to 600 classes available on a third-party platform. The fitness classes, and all other virtual programming, remain available to employees until year-end 2021. Our wellness focus areas in the first half of 2021 were resilience and brain health.

SUSTAINABLE DEVELOPMENT GOALS

United Nations member states adopted 17 Sustainable Development Goals in 2015.

We aim to deliver tools and resources that support our employees' pursuit of healthy lives, stability and well-being. Devon takes a holistic approach to employee wellness, promoting physical, mental and financial health. The Doc, a medical clinic we established near our corporate headquarters in Oklahoma City, allows employees and their families to get a high standard of care and personal attention with short wait times. Devon's financial wellness program provides confidential and unbiased financial guidance and a wide range of resources at no cost to employees.





Employee Wellness continued

\$7,995
Average HSA
balance (as of 6/30/21)

6.5%
of paycheck
contributed
to 401K

99.6%
of employees
participating in
401K

Encouraging prevention

We encourage and incentivize employees to be proactive about their health care. Devon covers the cost of annual physical exams, annual vision screenings, two annual dental exams, colonoscopies, mammograms, prostate exams and well-woman exams. For convenience, we offer onsite mammography twice each year at our Oklahoma City headquarters. Employee participation in preventive cancer screenings has exceeded national benchmarks in some categories in recent years.

Due to the pandemic, a slightly lower percentage of employees received an annual physical exam in 2020 from their personal physician or at the Doc, the medical clinic we established near our corporate headquarters. Employees and their families can get a high standard of care and personal attention at the Doc with short wait times. We also held annual physical exam events at two field offices, where employees completed 54 physical exams in 2020.

We support employees who want to make healthy lifestyle changes to prevent chronic illnesses and health problems. The high-quality, no-cost offerings include programs for diabetes support, a pre-diabetes version for field employees and tobacco cessation. Eligible employees also can take part in Drop at the Doc, a 22-week physician-led weight-loss program.

Employees who take advantage of our wellness programs can earn points for activities like getting a physical exam or completing a financial wellness series. By accumulating 1,000 points in a year, employees can receive up to \$2,500 in contributions to their HSA. About 75% of employees earned at least 1,000 points in 2020, down from 82% in 2019.

Financial insights

Concerns about personal finances, from managing debt to saving for retirement, can affect an employee's sense of well-being. Devon's financial wellness program offers confidential and unbiased financial guidance and resources such as third-party financial assessments and web-based workshops at no cost to employees. We started delivering all of these resources virtually in 2020 and increased the

number of webinars. Having access to virtual one-on-one financial consultations with experts led to 111 employees taking advantage of this offering in 2020.

Our financial well-being content in 2021 kicked off with a six-part series led by a third party to help employees re-set their financial and retirement planning after the pandemic.

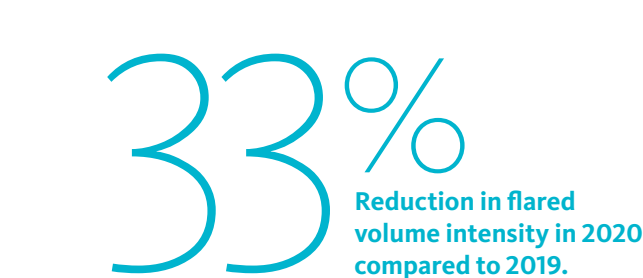
By keeping employees informed about the importance of retirement savings, Devon has reached the top of our industry for 401(k) retirement contributions and the percentage of paycheck contributions.

We're committed to giving Devon employees tools and strategies to help them live healthier, more satisfying and financially secure lives. We believe healthy, happy employees are more likely to come to work ready to give Devon their best effort.

Devon wellness resources

- Focused quarterly education on a wide range of physical and mental health topics, delivered virtually in 2020
- Thriving Minds emotional well-being content available on the Devon intranet
- Onsite medical clinic in Oklahoma City for employees and their families, and at two field offices
- Onsite fitness center with free classes for employees, delivered virtually in 2020
- Coverage for the costs of annual physical exams and preventive exams and screenings
- High-quality, no-cost programs to help prevent chronic illnesses and health problems
- Points system for participating in certain wellness activities, with the potential for employees to earn a contribution to their HSA
- Financial wellness webinars held approximately monthly
- Quarterly opportunity to meet one-on-one with a third-party financial advisor, delivered virtually in 2020
- Ongoing financial planning education opportunities
- Employee Assistance Program

Performance Metrics



Environment Performance Metrics¹

**Unless otherwise noted, all data presented is pro forma (Devon + WPX) for U.S. operated assets.*

	2018	2019	2020
Direct GHG Emissions (Scope 1)(million tonnes CO ₂ e) ²	4.72	4.65	3.91
By Constituent			
Carbon Dioxide (million tonnes CO ₂ e)	3.65	3.66	3.39
Methane (million tonnes CO ₂ e)	1.07	0.99	0.52
Nitrous Oxide (million tonnes CO ₂ e)	0.003	0.003	0.002
By Source			
Flaring/Venting (million tonnes CO ₂ e)	3.14	2.61	1.92
Combustion (million tonnes CO ₂ e)	1.37	1.84	1.95
Other (million tonnes CO ₂ e)	0.21	0.19	0.04
Indirect GHG Emissions from Electricity Use (Scope 2) (million tonnes CO ₂ e) ³	0.33	0.27	0.32
Direct and Indirect GHG Emissions (Scope 1 and 2) (million tonnes CO ₂ e) ^{2,3}	5.05	4.91	4.23
Direct GHG Emissions Intensity (Scope 1) (tCO ₂ e/MBoe) ²	20.19	17.22	14.61
Direct and Indirect GHG Emissions Intensity (Scope 1 and 2) (tCO ₂ e/MBoe) ²	21.60	18.20	15.81
Indirect GHG Emissions from Use of Sold Products (Scope 3) (million tonnes CO ₂ e) ^{4,5}	43	48	49
We report indirect emissions from the use of sold products on an equity basis from sources not owned or controlled by Devon; however, it is important to note that Scope 3 emissions estimates are subject to uncertainty, inconsistency, and duplication as further described in the Air Emissions section of this report. In 2020, legacy Devon's estimated Scope 3 emissions increased, driven by an increase in net equity production.			
Methane Emissions Intensity (Scope 1) (tCO ₂ e/MBoe) ²	4.58	3.65	1.94
Methane Emissions Intensity - Production Segment (Scope 1) (% of natural gas produced) ⁶	0.36%	0.31%	0.19%
Flaring Intensity (% of natural gas produced) ⁷	2.13%	2.21%	1.48%
Energy Used - Fuel and Electricity Use (trillion BTU) ³	28.98	32.87	31.36
Water Usage (million Bbl) ⁸	136.2	138.5	98.5
Recycled (million Bbl)	22.0	33.8	37.2
Sourced (million Bbl)	114.2	104.7	61.3
Water Usage Intensity (Bbl/Boe produced) ⁸	0.57	0.50	0.33
Water Usage Intensity (million Bbl/well completion) ⁸	0.25	0.25	0.29
Devon's total water use for completions activities varies with activity levels, targeted formations and lateral lengths, and includes fresh, non-fresh and recycled water volumes. We seek alternatives to fresh water supplies, where possible.			
Reportable Spill Events Released to the Environment (events) ⁹	377	336	246
Reportable Spill Volumes Released to the Environment (barrels) ⁹	6,441	4,505	4,042

[EXCEL DOWNLOAD](#)

¹ The environment metrics have been calculated using the best available data at the time of publication. Historical metrics are subject to change as we continuously seek to improve our data management practices, data sources, and calculation methodologies in order to provide the highest level of transparency, consistency and accuracy. We report environment metrics on an operated basis, unless otherwise noted.

² We include all reportable emissions under EPA's Greenhouse Gas Reporting Program (GHGRP) for Devon operated facilities, as well as non-reportable emissions from our production assets and, beginning in reporting year 2019, gathering and boosting assets. We calculate emission intensities using gross production as reported under the EPA GHGRP for all reporting segments.

³ We calculate our reported emissions using EPA fuel and electricity emissions factors.

⁴ We report indirect emissions from the use of sold products (Scope 3) on an equity basis from sources not owned or controlled by Devon. To estimate our Scope 3 emissions, we rely upon IPIECA's 2016 guidance document Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. Per the IPIECA guidance, we report category 11 "Use of Sold Products" by calculating combustion emissions for our oil, natural gas and marketed natural gas liquids products using emission factors obtained from the EPA and net equity production reported in Devon's 2020 Annual Report on Form 10-K.

⁵ Performance is limited to legacy Devon performance only using net equity production reported in Devon's 2020 Annual Report on Form 10-K.

⁶ Our methane emissions intensity rate calculation includes all natural gas produced at Devon operated facilities and all methane emissions from Devon operated facilities associated with the production of oil and natural gas. [Click here to see Devon's calculation methodology for methane emissions intensity.](#) [Click here to see AECOM verification of calculation methodology](#)

⁷ Our flaring intensity rate calculation includes high-pressure flared volumes associated with the production of oil and natural gas.

⁸ Our water usage includes all water sources used in completions activities at facilities operated by Devon in 2020.

⁹ Reportable spill events and volumes exclude a well-control event that occurred in 2019.



Performance Metrics continued

\$5.3 million
in social investments

13%
Reduction in our Total Recordable Incident Rate (TRIR) for employees and contractors in 2020 compared to 2019.

19%
Reduction in our Lost Time Incident Rate (LTIR) in 2020 compared to 2019.

Safety Performance Metrics

**Unless otherwise noted, all data presented is pro forma (Devon + WPX) for U.S. operated assets.*

	2018 ¹	2019	2020
Fatalities (Employee and contractor workforce)	0	1	2
Total Recordable Incident Rate (TRIR) (Employee + Contractor)	0.53	0.49	0.43
TRIR - Employee	0.41	0.53	0.36
TRIR - Contractor	0.55	0.49	0.44
Serious Incident and Fatality (SIF) Recordable Rate (Employee + Contractor)	0.06	0.10	0.11
Days Away Restricted Transfer (DART) Incident Rate (Employee + Contractor)	0.26	0.24	0.20
DART Incident Rate - Employee	0.12	0.28	0.24
DART Incident Rate - Contractor	0.28	0.23	0.19
Lost Time Incident Rate (LTIR) (Employee + Contractor)	0.12	0.15	0.12
LTIR - Employee	0.12	0.28	0.16
LTIR - Contractor	0.12	0.13	0.11
Preventable Vehicle Incident Rate (per million miles)	1.00	1.50	1.20
Employee Hours (million)	4.9	5.7	5.0
Contractor Hours (million)	24.7	35.7	24.8

¹ Performance in 2018 is limited to legacy Devon only.

Governance Metrics

**Unless otherwise noted, all data presented is pro forma for Devon and WPX.*

	2018	2019	2020
Independent Board Members¹	80%	91%	81%
Currently, 8 of our 11 board members (73%) qualify as independent under NYSE standards and SEC regulations.			
Women Board Members¹	20%	27%	27%
Currently three women (27%) serve on our board of directors, including the chairs of Devon's Audit and Governance, Environmental, and Public Policy Committees.			
Contributions - Trades and Political² (thousands)	\$494	\$2,144	\$2,234
In 2019, we began disclosing non-deductible trade association dues.			
Lobbying - Federal and State² (thousands)	\$905	\$1,178	\$743
Devon's lobbying and political activity is disclosed via public agencies, as well as through the company's Political Activity and Lobbying Report available on our website.			

¹ Reflects legacy Devon board composition following the annual election of directors each June.

² Legacy Devon only.

Social Metrics

**Unless otherwise noted, all data presented is pro forma for Devon and WPX.*

	2018	2019	2020
Social Investments (millions)	\$8.3	\$7.8	\$5.3

Workforce Metrics

**Unless otherwise noted, all data presented is pro forma for Devon and WPX.*

	2018	2019	2020	2021
Headcount (total company)	2,727	2,352	2,022	1,645 ²
Minorities as a Percentage of Workforce¹	18%	19%	21%	22%
Women as a Percentage of Workforce¹	29%	28%	27%	24%
Women in the organization declined by 3% in 2021 primarily related to the WPX merger and location of Devon's corporate headquarters in Oklahoma City. For WPX employees in Tulsa, a lesser percentage of females were willing to relocate than males.				
Minorities as a Percentage of Leadership	12%	11%	13%	15%
Women as a Percentage of Leadership	20%	20%	20%	15%
Women in leadership declined by 5% primarily related to the WPX merger and location of Devon's corporate headquarters in Oklahoma City. For WPX employees in Tulsa, a lesser percentage of females were willing to relocate than males.				
Years of Service				
Less than 5 years (percent of headcount)	42%	35%	33%	36%
5-9 years	30%	37%	41%	38%
10-14 years	17%	17%	14%	15%
15-19 years	6%	6%	7%	8%
20-24 years	2%	3%	3%	2%
25+ years	3%	2%	2%	1%
Median Age	40	40	40	40
Attrition Rate	9%	7%	3%	5%

¹ As defined by the U.S. Equal Employment Opportunity Commission.

² Marginal difference compared to total headcount in EEO-1 due to timing for the calculations.

EXCEL DOWNLOAD

Reporting Frameworks

Striving for increased transparency

This report was prepared with content correlated to voluntary frameworks and standards established by the Task Force on Climate-Related Financial Disclosures (TCFD), IPIECA, Sustainability Accounting Standards Board (SASB) and United Nations Sustainable Development Goals. Devon continues to strive for increased transparency on issues that are top-of-mind for our stakeholders, as we believe ESG transparency is important to building a sustainable and economically competitive company.



TCFD

Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017)



The TCFD seeks to develop recommendations for voluntary climate-related financial disclosures as a tool for investors and other stakeholders to assess risks associated with climate change. Devon published its third Climate Change Assessment Report in 2021, a direct result of our ongoing commitment to transparency.

CORE ELEMENT	TCFD DISCLOSURE	REFERENCE
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Climate Change Assessment Report (CCAR), CDP Climate Response, Proxy Statement, Sustainability Report (SR)-CEO Letter SR-Message from Our Board, SR-Report Summary, SR-Environment Overview, SR-Governance Overview, SR-Corporate Governance, SR-Enterprise Risk Management, SR-Shareholder Engagement
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	CCAR, CDP Climate Response, SR-Report Summary, SR-Environment Overview, SR-Climate Change, SR-Governance Overview, SR-Corporate Governance, SR-Enterprise Risk Management, SR-Shareholder Engagement
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.	CCAR, CDP Climate Response, Form 10-K, SR-Climate Change,SR-Air Emissions, SR-Water Management
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	CCAR, CDP Climate Response, Form 10-K, SR-Climate Change, SR-Air Emissions, SR-Water Management
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CCAR, CDP Climate Response, SR-Climate Change
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.	CCAR, CDP Climate Response, SR-Climate Change, SR-Enterprise Risk Management
	b) Describe the organization's processes for managing climate-related risks.	CCAR, CDP Climate Response, SR-Climate Change, SR-Enterprise Risk Management, SR-Shareholder Engagement
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CCAR, CDP Climate Response, SR-Climate Change, SR-Enterprise Risk Management
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.	CCAR, CDP Climate Response, CDP Water Response, SR-Report Summary, SR-Environment Overview, SR-Air Emissions, SR-Water Management, SR-Spill Prevention, SR-Performance Metrics
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CCAR, CDP Climate Response, SR-Report Summary, SR-Environment Overview, SR-Air Emissions, SR-Performance Metrics
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CCAR, CDP Climate Response, CDP Water Response, SR-Report Summary, SR-Performance Targets, SR-Climate Change, SR-Air Emissions

Reporting Frameworks continued

IPIECA

Sustainability reporting guidance for the oil and gas industry (4th edition, 2020)



The primary framework for this report is the Sustainability reporting guidance for the oil and gas industry developed by IPIECA, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (IOGP). The issues and indicators in this guidance have been selected based on industry consensus, together with significant insights and suggestions from an independent panel of stakeholders with expertise in the sector and sustainability reporting.

The IPIECA index identifies where the referenced data may be found in this report or other publicly available disclosures.

IPIECA ISSUE	INDICATORS	REFERENCE
Governance and Business Ethics		
Governance and Management Systems	GOV-1: Governance approach	Sustainability Report (SR)-About this Report, SR-CEO Letter, SR-Report Summary, SR-Governance Overview,SR-Corporate Governance, SR-Corporate Governance Guidelines, Code of Business Conduct and Ethics, Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, EHS Philosophy, Proxy Statement
	GOV-2: Management systems	Climate Change Assessment Report (CCAR), Corporate Governance Guidelines, Code of Business Conduct and Ethics, Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer,SR-About this Report, SR-CEO Letter, SR-Report Summary, SR-Governance Overview, SR-Corporate Governance, SR-Enterprise Risk Management, SR-Ethics & Integrity, SR-Emergency Preparedness
Business Ethics and Transparency	GOV-3: Preventing corruption	Ethics & Compliance Hotline, Anti-corruption Policy, SR-Governance Overview, SR-Ethics and Integrity, SR-Shareholder Engagement, SR-Workforce Safety
	GOV-4: Transparency of payments to host governments	Not applicable
	GOV-5: Public advocacy and lobbying	Political Activity and Lobbying Report, Anti-Corruption Policy, SR-Governance Overview, SR-Shareholder Engagement, SR-Public Advocacy, SR-Performance Metrics
Climate Change and Energy		
Climate Strategy and Risk	CCE-1: Climate governance and strategy	CCAR, CDP Climate Response, SR-CEO Letter, SR-Message from Our Board, SR-Report Summary, SR-Environment Overview, SR-Climate Change, SR-Governance Overview, SR-Corporate Governance, SR-Enterprise Risk Management, SR-Shareholder Engagement
	CCE-2: Climate risk and opportunities	CCAR, CDP Climate Response, CDP Water Response, Form 10-K, SR-Report Summary, SR-Performance Targets, SR-Climate Change, SR-Air Emissions, SR-Water Management
Technology	CCE-3: Lower-carbon technology	CCAR, CDP Climate Response, SR-Performance Targets, SR-Environment Overview, SR-Air Emissions, SR-Climate Change
Emissions	CCE-4: Greenhouse gas (GHG) emissions	CCAR, CDP Climate Response, SR-Report Summary, SR-Environment Overview, SR-Climate Change, SR-Air Emissions, SR-Performance Metrics,
	CCE-5: Methane emissions	CCAR, CDP Climate Response, SR-Operations Overview, SR-Environment Overview, SR-Climate Change, SR-Air Emissions, SR-Public Advocacy, SR-Performance Metrics
Energy Use	CCE-6: Energy use	CCAR, CDP Climate Response, SR-Environment Overview, SR-Climate Change, SR-Air Emissions, SR-Performance Metrics
Flaring	CCE-7: Flared gas	CCAR, CDP Climate Response, SR-Report Summary, SR-Environment Overview, SR-Climate Change, SR-Air Emissions, SR-Performance Metrics
Environment		
Water	ENV-1: Freshwater	CCAR, CDP Climate Response, CDP Water Response, SR-Operations Overview, SR-Environment Overview, SR-Water Management, SR-Performance Metrics
	ENV-2: Discharges to water	Not Disclosed
Biodiversity	ENV-3: Biodiversity policy and strategy	SR-Land Conservation & Biodiversity
	ENV-4: Protected and priority areas for biodiversity conservation	SR-Land Conservation & Biodiversity

IPIECA ISSUE	INDICATORS	REFERENCE
Environment (cont'd)		
Air Emissions	ENV-5: Emissions to air	CCAR, SR-Environment Overview, SR-Climate Change, SR-Air Emissions
Spills	ENV-6: Spills to the environment	CCAR, SR-Environment Overview, SR-Spill Prevention, SR-Well Safety, SR-Performance Metrics
Materials Management	ENV-7: Materials management	CCAR, SR-Performance Targets, SR-Operations Overview, SR-Environment Overview, SR-Spill Prevention, SR-Water Management, SR-Waste Management, SR-Performance Metrics
Decommissioning	ENV-8: Decommissioning	Not disclosed
Safety, Health and Security		
Workforce Protection	SHS-1: Safety, health and security engagement	EHS Philosophy, SR-CEO Letter, SR-Report Summary, SR-Operations Overview, SR-Safety Overview, SR-Workforce Safety
	SHS-2: Workforce health	EHS Philosophy, SR-Operations Overview, SR-Waste Management, SR-Safety Overview, SR-Our culture, SR-Employee Wellness
	SHS-3: Occupational injury and illness incidents	SR-Report Summary, SR-Safety Overview, SR-Workforce Safety, SR-Public Advocacy, SR-Performance Metrics
	SHS-4: Transport safety	SR-Workforce Safety
Product Health, Safety and Environmental Risk	SHS-5: Product stewardship	SR-Waste Management, SR-Workforce Safety, Safety Data Sheets, EHS Philosophy Devon does not produce petroleum consumer products.
Process Safety	SHS-6: Process safety	SR-Safety Overview, SR-Workforce Safety, SR-Well Safety, SR-Performance Metrics
Security	SHS-7: Security risk management	SR-Governance Overview, SR-Corporate Governance, SR-Enterprise Risk Management, SR-Cybersecurity, SR-Emergency Preparedness
Social		
Human Rights Management	SOC-1: Human rights due diligence	Ethics & Compliance Hotline, Statement on Human Rights, SR-Ethics and Integrity, SR-Human Rights
	SOC-2: Suppliers and human rights	Statement on Human Rights, Supplier Qualification Requirements, SR-Human Rights
	SOC-3: Security and human rights	Not Applicable
Labor Practices	SOC-4: Site-based labor practices and worker accommodation	Code of Business Conduct and Ethics, SR-Safety Overview, SR-Workforce Safety
	SOC-5: Workforce diversity and inclusion	SR-CEO Letter, SR-Corporate Governance, SR-Social Overview, SR-STEM, SR-Philanthropy, SR-Workforce Overview, SR-Our Culture, SR-Diversity Equity and Inclusion
	SOC-6: Workforce engagement	Ethics & Compliance Hotline, SR-Workforce Overview, SR-Our Culture
	SOC-7: Workforce training and development	SR-Waste Management, SR-Workforce Safety, SR-Cybersecurity, SR-Ethics & Integrity, SR-Emergency Preparedness, SR-Our Culture, SR-Diversity Equity & Inclusion
Community Engagement	SOC-8: Workforce non-retaliation and grievance mechanisms	Ethics & Compliance Hotline, SR-Ethics & Integrity
	SOC-9: Local community impacts and engagement	SR-About this Report, SR-CEO Letter, SR-Report Summary, SR-Water Management, SR-Emergency Preparedness, SR-Social Overview, SR-Community Engagement, SR-STEM, SR-Philanthropy, SR-Volunteerism, SR-Workforce Overview, SR-Diversity, Equity and Inclusion
	SOC-10: Indigenous peoples	Statement on Human Rights, SR-Social Overview, SR-Land Conversation & Biodiversity
	SOC-11: Land acquisition and involuntary resettlement	Not Applicable
	SOC-12: Community grievance mechanisms	Ethics & Compliance Hotline, Statement on Human Rights
Local Content	SOC-13: Social investment	Corporate Giving Policy, SR-Report Summary, SR-Social Overview, SR-Community Engagement, SR-STEM, SR-Philanthropy, SR-Volunteerism, SR-Diversity, Equity and Inclusion
	SOC-14: Local procurement and supplier development	SR-Community Engagement, SR-Philanthropy
	SOC-15: Local hiring practices	Not Applicable

Reporting Frameworks continued

SASB Oil and Gas Exploration and Production Sustainability Accounting Standard (version 2018-10)

The Sustainability Accounting Standards Board (SASB) connects businesses and investors on the financial impacts of sustainability. SASB’s mission is to help businesses around the world identify, manage and report on the sustainability topics that matter most to their investors.



In response to growing investor interest in SASB, we conducted a comparative analysis using SASB indicators against our current reporting process. As of 2020, we still rely heavily on CDP Climate, CDP Water and our own materiality assessment to determine our top issues and methodologies for reporting. Various SASB indicators request different reporting methodologies but use the same underlying raw data that we use for our CDP responses. As such, Devon intends to use the SASB materiality profile for the oil and gas industry as an additional reference point when assessing the sustainability issues most likely to impact our business. We will determine what additional SASB-specific measurements Devon may adopt in the future based upon future assessments.

SASB TOPIC	CODE	ACCOUNTING/ACTIVITY METRIC	REFERENCE
Greenhouse Gas Emissions	EM-EP-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	CCAR, CDP Climate Response, Sustainability Report (SR)-Report Summary,SR-Environment Overview, SR-Climate Change, SR-Air Emissions, SR-Performance Metrics
	EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	CCAR, CDP Climate Response, SR-Report Summary, SR-Environment Overview, SR-Climate Change, SR-Air Emissions, SR-Performance Metrics
	EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	CCAR, CDP Climate Response, SR-Report Summary, SR-Performance Targets, SR-Climate Change, SR-Air Emissions
Air Quality	EM-EP-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀)	Not Disclosed
Water Management	EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	CDP Water Response, SR-Water Management, SR-Performance Metrics
	EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	CDP Water Response, SR-Water Management, SR-Performance Metrics
	EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Not Disclosed
	EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Not Disclosed

SASB TOPIC	CODE	ACCOUNTING/ACTIVITY METRIC	REFERENCE
Biodiversity Impacts	EM-EP-160a.1	Description of environmental management policies and practices for active sites	CCAR, CDP Climate Response, Governance, Environmental & Public Policy Committee Charter, EHS Philosophy, SR Environment Overview, SR-Governance Overview, SR-Enterprise Risk Management
	EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	SR-Environment Overview, SR-Spill Prevention, SR-Performance Metrics
	EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Not Disclosed
Security, Human Rights, and Rights of Indigenous Peoples	EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Not Applicable
	EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Not Disclosed
	EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Statement on Human Rights, SR-Land Conversation & Biodiversity, SR-Ethics and Integrity, SR-Human Rights
Community Relations	EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	SR-Social Overview, SR-Community Engagement
	EM-EP-210b.2	Number and duration of non-technical delays	Not Disclosed
Workforce Health & Safety	EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	SR-Report Summary, SR-Safety Overview, SR-Workforce Safety, SR-Public Advocacy, SR-Performance Metrics
	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	EHS Philosophy, SR-CEO Letter, SR-Report Summary, SR-Operations Overview, SR-Safety Overview, SR-Workforce Safety, SR-Our Culture
Reserves Valuation & Capital Expenditures	EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	CCAR
	EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Not Disclosed
	EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	Not Applicable
	EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	CCAR, Form 10-K Form 10-K
Business Ethics & Payments Transparency	EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Not Applicable
	EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Anti-Corruption Policy, SR-Ethics & Integrity
Management of the Legal & Regulatory Environment	EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Political Activity and Lobbying Report, SR-Public Advocacy
Critical incident risk management	EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Not Disclosed
	EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	SR-Workforce Safety, SR-Emergency Preparedness
Activity Metrics	EM-EP-000.A	Production of oil	Form 10-K
		Production of natural gas	Form 10-K
		Production of synthetic oil	Not Applicable
		Production of synthetic gas	Not Applicable
	EM-EP-000.B	Number of offshore sites	Not Applicable
	EM-EP-000.C	Number of terrestrial sites	Website: https://www.devonenergy.com/operations

Reporting Frameworks continued



United Nations Sustainable Development Goals

At Devon, one way we reflect on our role in society is by viewing our work through the lens of the U.N. Sustainable Development Goals, or SDGs. The SDGs are the globally agreed-upon action plan for providing affordable and clean energy, protecting our planet, and promoting peace and prosperity for all people. We identified nine SDGs for which we believe Devon makes the greatest contribution. The following table summarizes those nine SDGs and where discussion of those topics can be found in this report.

SUSTAINABLE DEVELOPMENT GOAL	REFERENCE
SDG Goal 3 – Good Health and Well-Being	SR-Employee Wellness
SDG Goal 4 – Quality Education	SR-STEM
SDG Goal 5 – Gender Equality	SR- Diversity, Equity and Inclusion
SDG Goal 6 – Clean Water and Sanitation	SR-Water Management
SDG Goal 7 – Affordable and Clean Energy	SR-Climate Change
SDG Goal 8 – Decent Work and Economic Growth	SR-Workforce Safety
SDG Goal 13 – Climate Action	SR- Enterprise Risk Management
SDG Goal 15 – Life on Land	SR-Land Conservation and Biodiversity
SDG Goal 17 – Partnerships	SR-Air Emissions



American Exploration & Production Council Framework

The American Exploration and Production Council (AXPC) is a national trade association representing the largest independent oil and natural gas exploration and production companies in the United States. To promote transparency and consistency in ESG reporting among U.S. upstream exploration and production companies, AXPC launched its voluntary ESG Metrics Framework and Template in February 2021. AXPC’s framework includes five key metrics groupings – Greenhouse Gas Emissions, Flaring, Spills, Water Use and Safety. Note, Devon’s performance data presented in this AXPC framework table may differ in scope, definition, and methodology from Devon’s reported data elsewhere in this report.

TOPIC	METRIC	2020	ADDITIONAL COMMENTS
Greenhouse Gas Emissions	GHG Emissions (metric tons CO ₂ e)	3,533,953	Devon calculates our direct (Scope 1) GHG and methane emissions by including all emissions reported to the Environmental Protection Agency (EPA) pursuant to the Greenhouse Gas Reporting Program (GHGRP) for onshore production and gathering and boosting assets under our operational control, as well as emissions subject to the GHGRP that fall below the basin-level reporting threshold.
	GHG Intensity GHG Emissions (metric tons CO ₂ e)/Gross Annual Production - As Reported Under Subpart W (MBoe)	13.21	
	Percent of GHG Emissions Attributed to Gathering and Boosting Segment	5%	
	Methane Emissions (metric tons CH ₄)	19,229	AXPC GHG and methane emissions, as shown here, include only emissions for onshore production and gathering and boosting assets that are reportable under the GHGRP and, therefore, exclude emissions that fall below the basin-level reporting threshold.
	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 Gathering and Boosting Segment	3%	
Flaring	Gross Annual Volume of Flared Gas (Mcf)	12,255,177	
	Percentage of gas flared per Mcf of gas produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Gas Production (Mcf)	1.48%	
	Volume of gas flared per barrel of oil equivalent produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Production (Boe)	0.041	
Spills	Spill Intensity Produced Liquids Spilled (Bbl)/Total Produced Liquids (MBbl)	0.015	Devon accounts for spills of produced oil, produced water and recycled water handled in our operations. Devon's spill performance, as shown here, includes spills greater than or equal to 1 barrel for legacy WPX and spills reportable to a regulatory agency or that occurred offsite for legacy Devon.

Reporting Frameworks continued

American Exploration & Production Council Framework continued

TOPIC	METRIC	2020	ADDITIONAL COMMENTS
Water Use	Fresh Water Intensity Fresh Water Consumed (Bbl)/Gross Annual Production (Boe)	0.061	
	Water Recycle Rate Recycled Water (Bbl)/Total Water Consumed (Bbl)	37.8%	Devon calculates our water consumption by including volumes that were consumed downhole during completions activities.
	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	0.36	
	Contractor TRIR # of Contractor OSHA Recordable Cases x 200,000 / Annual Contractor Workhours	0.44	
	Combined TRIR # of Combined OSHA Recordable Cases x 200,000 / Annual Combined Workhours	0.43	
Supporting Data	Gross Annual Oil Production (Bbl)	160,143,612	
	Gross Annual Gas Production (Mcf)	826,449,779	
	Gross Annual Production (Boe)	297,885,242	
	Gross Annual Production (MBoe)	297,885	
	Gross Annual Production - As Reported Under Subpart W (MBoe)	267,613	
	Total Produced Liquids (MBbl)	504,893	
	Produced Liquids Spilled (Bbl)	7,805	
	Fresh Water Consumed (Bbl)	18,023,556	
	Recycled Water (Bbl)	37,174,485	
	Total Water Consumed (Bbl)	98,448,260	
	Employee OSHA Recordable Cases	9	
	Contractor OSHA Recordable Cases	55	
	Combined OSHA Recordable Cases	64	
	Annual Employee Workhours	4,957,528	
	Annual Contractor Workhours	24,781,969	
	Methodology	CAPP	
	Annual Combined Workhours	29,739,497	

Disclaimer
This report contains terms, standards and reporting metrics used by IPIECA, Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and United Nations’ Sustainable Development Goals (UNSDG, together with IPIECA, TCFD and SASB, the “Frameworks”). The contents of this report are intended as guidance only and may not be comprehensive in scope or coverage, including as to such Frameworks. Devon does not intend to and is not endorsing or adopting phrases, specific terms or recommendations from the Frameworks. Non-financial and non-GAAP information, such as that included in this report, is subject to more potential limitations than financial information, given the methods used for calculating or estimating such information. Devon does not make any express or implied representations or warranties and shall not assume any liability whatsoever for providing guidance or using these Frameworks, or for any errors, mistakes or omissions in this report.

Additionally, the concept of materiality used in this report is not intended to correspond to the concept of materiality associated with the disclosures required by the U.S. Securities and Exchange Commission (the “SEC”). Please refer to our 2020 Annual Report on Form 10-K and our other filings with the SEC for information about the risks and uncertainties to our business and operations, and our industry in general. This report also incorporates a greater number of estimates and assumptions than many of our required disclosures, as well as longer time frames. This means that many of the matters discussed in this report are not, or currently cannot be ascertained to be, “material” as that term is defined by the U.S. federal securities laws. While certain matters discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with

the U.S. federal securities laws, even where we use the word “material” or “materiality” in this report. Moreover, given the inherent uncertainty of the estimates, assumptions and timelines contained in this report, we may not be able to anticipate whether or the degree to which we will be able to meet our plans, targets or goals in advance.

This report covers our owned and operated businesses and does not address the performance or operations of our suppliers, contractors and partners unless otherwise noted. This report does not distinguish between the activities and operations of our ultimate parent company (Devon Energy Corporation) and those of our subsidiaries.

This report includes “forward-looking statements” as defined by the SEC and federal securities laws. Any statement that is not a historical statement of fact should be treated as a forward-looking statement. Such statements include, without limitation, statements that relate to the manner in which Devon intends to conduct certain of its activities, based on management’s current plans and expectations. Such statements are not promises or guarantees of future conduct or policy and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. See the Safe Harbor disclosure at the end of this report. Devon’s actual activities, including the development, implementation or continuation of any goal, program, target or initiative discussed in this report may differ materially in the future. The forward-looking statements in this report speak only as of the date this report is originally published, even if subsequently made available by Devon on its website or otherwise, and are based on management’s expectations as of such date. Devon does not undertake, and expressly disclaims, any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

Safe Harbor
Some of the information provided in this report includes “forward-looking statements” as defined by the SEC and federal securities laws, including, but not limited to, those statements regarding our net zero targets, emission reduction targets and other climate and environmental-related goals, strategies and plans. Forward-looking statements are often, but not always, identified by use of the words “goals,” “achievements,” “forecasts,” “projections,” “estimates,” “plans,” “expectations,” “targets,” “opportunities,” “potential,” “outlook” and other similar terminology. Such statements concerning future performance are subject to a variety of risks and uncertainties that could cause Devon’s actual results to differ materially, and adversely, from the forward-looking statements contained herein. Readers should not place undue reliance on any forward-looking statement. Moreover, many of the assumptions, standards, metrics and measurements used in preparing this report continue to evolve and are based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees or promises of future performance. Actual results, conditions and outcomes, whether financial or otherwise, may differ materially, and adversely, from those expressed or implied by any of the forward-looking statements contained in this report due to a variety of factors, including, among others, global socio-demographic and economic trends, energy prices, technological innovations (including, but not limited to, the pace of technological developments with respect to leak detection), climate-related conditions and weather events, legislative and regulatory changes, our ability to gather and verify data regarding environmental impacts, our ability to successfully implement various initiatives throughout the organization under expected time frames, the compliance of various third parties, including our contractors, with our policies and procedures, and legal requirements and other unforeseen events or conditions. Other risks and uncertainties

are described in more detail in the “Risk Factors” section of our most recent Form 10-K and in our other filings with the SEC and other disclosures. Devon has not, and does not intend to, independently verify third-party data.

The forward-looking statements provided in this report are based on management’s examination of historical operating trends, the information which was used to prepare reserve reports and other data in Devon’s possession or available from third parties. Devon cautions that its future oil, natural gas and natural gas liquids (“NGL”) production, revenues and expenses are subject to all of the risks and uncertainties normally incident to the exploration for and development, production and sale of oil, natural gas and NGLs. These risks include, but are not limited to, price volatility, inflation or lack of availability of goods and services, environmental risks, drilling risks, political changes, changes in laws or regulations, the uncertainty inherent in estimating future oil and gas production or reserves and, as noted above, other risks identified in our Form 10-K and our other filings with the SEC.



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