# Welcome to your CDP Water Security Questionnaire 2022

# W0. Introduction

## W0.1

**(W0.1) Give a general description of and introduction to your organization.**

Devon Energy Corp. (NYSE: DVN) is an independent energy company engaged in oil and natural gas exploration and production. Devon is among the largest U.S.-based independent producers and is included in the S&P 500 index. The company is based in Oklahoma City. Devon's operations are concentrated in various onshore areas in the U.S. The company's portfolio of oil and natural gas properties provides stable, environmentally responsible production. We are executing on a cash-return business model that prioritizes free cash flow generation and the return of capital to shareholders. Devon's mission is to be a results-oriented oil and natural gas company that creates value for stakeholders in an employee culture of optimism, teamwork, creativity and resourcefulness, and by doing business in an open and ethical manner. For more information about Devon, please visit www.devonenergy.com.

On January 7, 2021, Devon and WPX Energy, Inc. (WPX) completed an all-stock merger of equals. WPX is an oil and gas exploration and production company with assets in the Delaware Basin in Texas and New Mexico and the Williston Basin in North Dakota.

This questionnaire includes "forward-looking statements" as defined by the Securities and Exchange Commission (the "SEC"). Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions. All statements, other than statements of historical facts, included in this questionnaire that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. 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. Consequently, Devon's actual activities and future results, including the development, implementation or continuation of any program, target or initiative, may differ materially in the future due to a number of factors, including, but not limited to, the risk that Devon is unable to implement the new technologies and practices contemplated to achieve such programs, targets or initiatives successfully or on a timely basis; the risk that such technologies and practices result in higher than anticipated costs or cause operational disruptions that adversely impact Devon's financial

performance; and the other risks identified in Devon's 2021 Annual Report on Form 10-K and our other filings with the SEC.

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 SEC, even though we may use the words "material" or "materiality." Additional risks are identified in our Form 10-K and other filings with the SEC. The forward-looking statements in this questionnaire are made as of the date of submittal of our responses to this questionnaire, even if subsequently made available by Devon on our website or otherwise. Devon does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

# W-OG0.1a

**(W-OG0.1a) Which business divisions in the oil & gas sector apply to your organization?**

Upstream

# W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date |
|---|---|---|
| Reporting year | January 1, 2021 | December 31, 2021 |

# W0.3

**(W0.3) Select the countries/areas in which you operate.**

United States of America

# W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

# W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

# W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

Yes

## W0.6a

**(W0.6a) Please report the exclusions.**

| Exclusion | Please explain |
|---|---|
| Wells drilled, completed and operated by other companies | Devon owns interests in oil and gas wells drilled, completed and operated by other companies. Where Devon is not overseeing the drilling, completion or operations, water use is not included because the data may not be readily available and accessible to Devon. Reporting efforts will focus on water resources required for direct completions activity for wells under Devon's operational control in the reporting year. |
| Water supplied to Devon offices | As described above, this report will include water data and information that is required for direct completions activity for wells under Devon's operational control. |

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

| Indicate whether you are able to provide a unique identifier for your organization. | Provide your unique identifier |
|---|---|
| Yes, an ISIN code | DVN |
| Yes, a CUSIP number | 25179M103 |
| Yes, an ISIN code | US25179M1036 |
| Yes, a SEDOL code | BYZHJV7 |

# W1. Current state

## W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

| | Direct use importance rating | Indirect use importance rating | Please explain |
|---|---|---|---|
| Sufficient amounts of good quality freshwater available for use | Important | Neutral | Direct use of fresh water is important for the drilling and completion of wells, plant utilities, providing water supply, adequate sanitation and hygiene (WASH) facilities at our field office locations. We do not assess indirect water use for purposes of this report, because we are reporting on an operational control basis. |

| | | | |
|---|---|---|---|
| | | | Through Devon's continued conservation efforts, our reliance on recycled, brackish, and/or produced water for drilling and completions activities has continued to increase, allowing the demand on access to good quality freshwater to be reduced. |
| Sufficient amounts of recycled, brackish and/or produced water available for use | Important | Neutral | Where feasible, direct use of brackish and/or recycled produced water is utilized during completions operations. Access to sufficient amounts of recycled, brackish and/or produced water is therefore important for these operations. Devon's water recycling strategy in the Delaware Basin includes connecting more third parties to our system, which allows Devon to increase the amount of recycled, brackish and/or produced water available for use in operational activities.<br><br>We do not assess indirect water use for purposes of this report, because we are reporting on an operational control basis. |

# W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

| | % of sites/facilities/operations | Please explain |
|---|---|---|
| Water withdrawals – total volumes | 100% | The measurement of water withdrawals is performed continuously to meet requirements of regulations and to make payments to water rights holders, using meters, and other commercially accepted measurement practices. This tracking also allows us to enhance water-management performance at our facilities through collaboration with industry and trade organizations. Our response to this category relates to the upstream oil and gas facilities within our multiple operating areas in the U.S. |
| Water withdrawals – volumes by source | 100% | Water withdrawals are tracked by source to meet requirements of regulations, to make payments to water rights holders, and to actively seek alternatives to fresh water. The groundwater sources are tracked monthly by |

| | | |
|---|---|---|
| | | source using flow meters. Recycled water is metered and volumes are checked daily when in use. |
| Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector] | 100% | Produced water is measured continuously through water meters or other commercially acceptable methods, and are tracked to meet requirements of regulations. |
| Water withdrawals quality | 76-99 | Water quality is generally checked at new sources and prior to and during completions operations. The water quality at the recycling facilities are checked hourly using calibrated field equipment. The water quality of the groundwater withdrawals is tested approximately twice per year. |
| Water discharges – total volumes | 100% | If applicable, discharge volumes are tracked to meet requirements of regulations. |
| Water discharges – volumes by destination | 100% | If applicable, discharge volumes are tracked to meet requirements of regulations. |
| Water discharges – volumes by treatment method | 100% | If applicable, discharges by treatment method are tracked to meet requirements of regulation. |
| Water discharge quality – by standard effluent parameters | 100% | Water quality data required by regulation is measured and tracked. |
| Water discharge quality – temperature | 100% | Water quality data required by regulation is measured and tracked. |
| Water consumption – total volume | 100% | Water consumption is considered total water used during completions operations, including fresh, non-fresh, and reused water sources |
| Water recycled/reused | 100% | Recycled/reused volumes are measured and tracked on daily reports and summarized monthly for inventory and billing purposes. |
| The provision of fully-functioning, safely managed WASH services to all workers | 100% | WASH water consumption is tracked through public water service billing records. |

# W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

| | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|---|---|---|---|
| Total withdrawals | 18,842 | Higher | Devon's total water use volume includes fresh, non-fresh, and recycled water volumes. If you exclude recycled water volumes from the total withdrawal volume, actual withdrawals from both surface and groundwater is 9,076 megaliters.<br><br>Devon's total water use increased in 2021, primarily driven by the merger with WPX Energy. Last year's report included legacy Devon performance only. The total water usage number reflects the performance of both legacy companies. In addition to the merger, volume increase was also driven by an increase in drilling and completion activities.<br><br>Future volumes may vary with activity levels, targeted formations, and lateral lengths |
| Total discharges | 0 | About the same | For the reporting year, Devon did not discharge water into surface water bodies. Please see section W1.2i for more detail. |
| Total consumption | 18,842 | Higher | Devon's total water use volume includes fresh, non-fresh, and recycled water volumes. If you exclude recycled water volumes from the total withdrawal volume, actual withdrawals from both surface and groundwater is 9,076 megaliters.<br><br>Devon's total water use increased in 2021, primarily driven by the merger with WPX Energy. Last year's report included legacy Devon performance only. The total water usage number reflects the performance of both legacy companies. In addition to the merger, volume increase was also driven by an increase in drilling and completion activities.<br><br>Future volumes may vary with activity levels, targeted formations, and lateral lengths |

# W-OG1.2c

**(W-OG1.2c) In your oil & gas sector operations, what are the total volumes of water withdrawn, discharged, and consumed – by business division – and what are the trends compared to the previous reporting year?**

| | Volume (megaliters/year) | Comparison with previous reporting year % | Please explain |
|---|---|---|---|
| Total withdrawals - upstream | 18,842 | Higher | Devon's total water withdrawal volume includes fresh, non-fresh, and recycled water volumes. If you exclude recycled water volumes from the total withdrawal volume, actual withdrawals from both surface and groundwater is 9,076 megaliters.<br><br>Devon's total water use increased in 2021, primarily driven by the merger with WPX Energy. Last year's report included legacy Devon performance only. The total water usage number reflects the performance of both legacy companies. In addition to the merger, volume increase was also driven by an increase in drilling and completion activities.<br><br>Future volumes may vary with activity levels, targeted formations, and lateral lengths |
| Total discharges – upstream | 0 | About the same | Devon does not discharge water into surface water bodies. Please see section W1.2i for more detail. |
| Total consumption – upstream | 18,842 | Higher | Devon's total water withdrawal volume includes fresh, non-fresh, and recycled water volumes. If you exclude recycled water volumes from the total withdrawal volume, actual withdrawals from both surface and groundwater is 9,076 megaliters.<br><br>Devon's total water use increased in 2021, primarily driven by the merger with WPX Energy. Last year's report included legacy Devon performance only. The total water usage number reflects the performance of both legacy companies. In addition to the |

| | | | |
|---|---|---|---|
| | | | merger, volume increase was also driven by an increase in drilling and completion activities.<br><br>Future volumes may vary with activity levels, targeted formations, and lateral lengths |

## W1.2d

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

| | Withdrawals are from areas with water stress | % withdrawn from areas with water stress | Comparison with previous reporting year | Identification tool | Please explain |
|---|---|---|---|---|---|
| Row 1 | Yes | 1-10 | About the same | WRI Aqueduct | There are multiple, varied definitions and interpretations of "water stress." Using the World Resource Institute's Aqueduct Water Risk Atlas and its corresponding definition of baseline water stress, approximately 8% of Devon operated wells as of December 31, 2021 were located in "high" or "extremely high" areas of baseline water stress. If limited to Devon-operated wells for which water was consumed during completions operations since 2018, 8% of Devon-completed wells as of December 31, 2021 were located in "high" or "extremely high" areas of baseline water stress. The % withdrawn from stressed areas assumes the water was withdrawn at or near the well location. |

## W1.2h

**(W1.2h) Provide total water withdrawal data by source.**

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|---|---|---|---|---|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Relevant | 1,176 | Higher | Surface water is utilized in the Anadarko and Williston Basins. An increase in water usage can be attributed to the completion of more wells with longer lateral sections. In addition, Devon's merger with WPX Energy added volumes from the Williston Basin which was previously not reported. Last year's report included legacy Devon performance only. |
| Brackish surface water/Seawater | Not relevant | | | All surface water for purposes of this report is considered fresh water |
| Groundwater – renewable | Not relevant | | | Devon considers all groundwater utilized to be from a non-renewable source. |
| Groundwater – non-renewable | Relevant | 7,900 | Higher | Groundwater is typically utilized in the Anadarko, Powder River, and Delaware Basins. Much of the groundwater used is considered brackish. An increase in water usage can be attributed to the completion of more wells with longer lateral sections. In addition, Devon's merger with WPX Energy added volumes from the Williston Basin which was previously not reported. Last year's report included legacy Devon performance only. |
| Produced/Entrained water | Relevant | 9,766 | Higher | Recycled/reused water was heavily utilized in the |

| | | | | |
|---|---|---|---|---|
| | | | | Delaware Basin at a higher volume than the previous year, which decreased the amount of freshwater used in our operations. In addition, this year's reporting volumes are higher due to Devon's merger with WPX Energy adding recycled water volumes which was previously not reported. Last year's report included legacy Devon performance only. |
| Third party sources | Not relevant | | | Third party sources are utilized, but the volumes are presented within the other listed categories. |

# W1.2i

**(W1.2i) Provide total water discharge data by destination.**

| | Relevance | Please explain |
|---|---|---|
| Fresh surface water | Not relevant | For the reporting year, Devon did not discharge to any surface water bodies; therefore, this section is not relevant. |
| Brackish surface water/seawater | Not relevant | For the reporting year, Devon did not discharge to any surface water bodies; therefore, this section is not relevant. |
| Groundwater | Not relevant | Devon injects produced water into deep disposal wells below useable groundwater in all business units in accordance with applicable state and federal regulations. Devon does not discharge to any renewable groundwater aquifer capable of producing for water consumption. |
| Third-party destinations | Not relevant | Devon injects produced water into deep disposal wells below useable groundwater in all business units in accordance with applicable state and federal regulations. |

# W1.2j

**(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.**

| | Relevance of treatment level to discharge | Please explain |
|---|---|---|

| | | |
|---|---|---|
| Tertiary treatment | Not relevant | For the reporting year, Devon does not treat discharge water to a specific wastewater standard for purposes of discharge, because the company did not discharge produced water to any surface or renewable groundwater bearing zones. |
| Secondary treatment | Not relevant | For the reporting year, Devon does not treat discharge water to a specific wastewater standard for purposes of discharge, because the company did not discharge produced water to any surface or renewable groundwater bearing zones. |
| Primary treatment only | Not relevant | For the reporting year, Devon does not treat discharge water to a specific wastewater standard for purposes of discharge, because the company did not discharge produced water to any surface or renewable groundwater bearing zones. |
| Discharge to the natural environment without treatment | Not relevant | For the reporting year, Devon did not discharge water to the natural environment without treatment. This section does not take into considerations spill incidents that occur. Spills that occur to the natural environmental are reported and remediated per state/local/federal agency requirements. |
| Discharge to a third party without treatment | Not relevant | For the reporting year, Devon did not discharge produced water to any surface or renewable groundwater bearing zones. |
| Other | Not relevant | For the reporting year, Devon did not discharge produced water to any other source other than to Devon owned or third-party injection wells. |

# W1.3

**(W1.3) Provide a figure for your organization's total water withdrawal efficiency.**

| | Revenue | Total water withdrawal volume (megaliters) | Total water withdrawal efficiency | Anticipated forward trend |
|---|---|---|---|---|
| Row 1 | 12,206,000,000 | 18,842 | 647,808.088313342 | Future water volumes may vary with activity levels, targeted formations, and lateral lengths<br><br>Please note, intensity metrics based upon revenue do not provide comparable information from year to year for a commodity-based business, like Devon. Please see Devon's 2021 Form 10-K for a discussion of factors that impacted |

| | | | | |
|---|---|---|---|---|
| | | | | Devon's revenue, including inherently volatile commodity prices. |

# W-OG1.3

**(W-OG1.3) Do you calculate water intensity for your activities associated with the oil & gas sector?**

Yes

# W-OG1.3a

**(W-OG1.3a) Provide water intensity information associated with your activities in the oil & gas sector.**

**Business division**

Upstream

**Water intensity value (m3)**

0.06

**Numerator: water aspect**

Total water consumption

**Denominator**

Barrel of oil equivalent

**Comparison with previous reporting year**

Higher

**Please explain**

In 2021, Devon's total water usage intensity, including fresh, non-fresh, and recycled water volumes, was 0.06 m3/boe, trending up from 0.04 m3/boe in the previous year. The increase is due primarily to the merger between Devon and WPX Energy, as well as in increase in well completion activities.

Devon's total water use 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, and continue to develop recycled-water technologies and best practices. Future water intensity trends are anticipated to remain flat next year with recycled water volumes continuing to be a larger percentage of Devon's water intensity rate.

# W1.4

**(W1.4) Do you engage with your value chain on water-related issues?**

Yes, our suppliers

Yes, our customers or other value chain partners

# W1.4a

## (W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

### Row 1

#### % of suppliers by number

76-100

#### % of total procurement spend

76-100

#### Rationale for this coverage

Devon's contractors, suppliers, and vendors (collectively referred to here as “contractors”) play a vital role in the achievement of Devon’s vision to be the premier independent oil and natural gas company. We pride ourselves on a culture of integrity that defines our relationship with our contractors, as well as sets the standards of operating ethically in a socially and environmentally responsible manner. We expect high quality, environmentally sound and safe work from our contractors, which requires our contractors to provide and retain quality personnel who are adequately trained to perform their jobs safely.

To build upon the compliance and onboarding process described below, Devon recently established a commitment to engage our value chain to assess performance in key environmental, social, and governance (ESG) areas. By 2023, Devon’s contractors who perform work on Devon locations will begin undergoing annual evaluations to assess their ESG performance in key areas. Through partnership with a third-party service provider, Devon intends to develop an ESG questionnaire to assess, among other things, whether the company tracks water use in its operations and has programs in place to conserve and reuse water.

Please note, the "% of suppliers by number" and "% total procurement spend (direct and indirect)" shown above refer to the work performed by contract partners in field operations and is limited to contractors that are tracked in our third-party contractor management system.

#### Impact of the engagement and measures of success

Our measure of success will be the level of participation and completion in the survey assessment and the number of constructive contractor engagements held as a result.

Devon is committed to and focused on environmental improvements for assets under our control, where we can most directly and meaningfully effect change. However, we will continue to evaluate ways in which we can improve value chain performance and

engage constructively with stakeholders upstream and downstream of our production operations. We believe that adopting this target is a key step to better understand and influence the performance of our value chain partners.

**Comment**

# W1.4b

## (W1.4b) Provide details of any other water-related supplier engagement activity.

### Type of engagement

Onboarding & compliance

### Details of engagement

Other, please specify

Completion of contractor qualification process and meeting of policy, insurance, and environmental, health, and safety requirements

### % of suppliers by number

76-100

### % of total procurement spend

76-100

### Rationale for the coverage of your engagement

Devon's contractors, suppliers, and vendors (collectively referred to here as “contractors”) play a vital role in the achievement of Devon’s vision to be the premier independent oil and natural gas company. We pride ourselves on a culture of integrity that defines our relationship with our contractors, as well as sets the standards of operating ethically in a socially and environmentally responsible manner. We expect high quality, environmentally sound and safe work from our contractors, which requires our contractors to provide and retain quality personnel who are adequately trained to perform their jobs safely.

Once awarded work, contractors must meet Devon's agreement requirements, insurance requirements, and environmental health & safety (EHS) requirements. Moreover, contractors are expected to support Devon's EHS Philosophy (linked below) and Guiding Principles.

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 such as the Spill Prevention Countermeasures and Control (SPCC) Protocol.  Devon assesses. among other things, whether a company has a written environmental program in place, has received any citations from a regulatory agency, and has had hazardous material releases or agency reportable releases – including both air or spill releases.

Please note, the "% of suppliers by number" and "% total procurement spend (direct and indirect)" shown above refer to the work performed by contract partners in field operations and is limited to contractors that are tracked in our third-party contractor management system.

### Impact of the engagement and measures of success

One of the impacts of the contractor qualification process is to demonstrate Devon's commitment to environmental, health, and safety performance and to meeting or exceeding all federal, state, and local laws to our contractors. One measure of success of the qualification program would be fewer environmental, health, and safety incidents throughout our operations.

### Comment

https://www.devonenergy.com/operations/supply-chain

https://www.devonenergy.com/operations/supply-chain/requirements

https://www.devonenergy.com/documents/Sustainability/Environment/DVN_ehs-philosophy.pdf

## W1.4c

### (W1.4c) What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Devon has ongoing engagements on environmental performance issues, such as climate and water conservation, with a wide variety of partners along the value chain, ranging from stockholders including BlackRock to nonprofits such as the Environmental Defense Fund. We engage with state and federal agencies and agency partners including the U.S. Bureau of Land Management, U.S. Environmental Protection Agency, and the New Mexico Environmental Department. As a founding member of the Energy Water Initiative, and as a participant of the New Mexico Produced Water Consortium, we study, communicate and improve lifecycle water use and management collaboratively with other oil and natural gas companies that share our commitment to conservation.

Devon's water recycling strategy in the Delaware Basin includes connecting more third parties to our water treatment systems, which allows Devon to increase the amount of recycled, brackish and/or produced water available for use in operational activities. We are looking for ways to reuse produced water that we do not need for our operations. Devon is collaborating with other organizations to better understand technologies to desalinate produced water for uses outside of the oil and gas industry. In cases where we are producing more water than we can use, cost-effective desalination could make the water suitable for aquifer recharge and other beneficial uses. To make this possible, regulatory frameworks for reusing desalinated produced water also need to be developed.

We will continue to work with stakeholders in government, industry, and the communities where we work to find ways to conserve water in our drilling and completions operations.

# W2. Business impacts

## W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

## W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

# W3. Procedures

## W-OG3.1

**(W-OG3.1) How does your organization identify and classify potential water pollutants associated with its activities in the oil & gas sector that may have a detrimental impact on water ecosystems or human health?**

Devon relies on the expertise of internal subject-matter experts, external consultants, and regulatory agencies to identify and classify potential water pollutants associated with our oil and gas operations. Devon has a robust spill-reporting and tracking system that requires reporting unintentional releases of any material associated with our operations, such as oil, produced water and chemicals. We hold ourselves accountable for improving our performance by setting an annual corporate target for spill rates. Any quantities of these fluids above the required regulatory reporting threshold are reported to the appropriate state/federal agency.

In addition, Devon requires material Safety Data Sheets (SDS) be kept on file. Should a release occur, the SDS will serve as a tool to safely mitigate a release during spill response activities.

## W-OG3.1a

**(W-OG3.1a) For each business division of your organization, describe how your organization minimizes the adverse impacts on water ecosystems or human health of potential water pollutants associated with your oil & gas sector activities.**

| Potential water pollutant | Business division | Description of water pollutant and potential impacts | Management procedures | Please explain |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Other, please specify<br>All well fluids | Upstream | General pollution | Compliance with effluent quality standards<br>Measures to prevent spillage, leaching and leakages<br>Emergency preparedness | Safety and environmental stewardship start with the planning of the well pad. Both desktop and field assessments are performed to identify potential waters of the U.S., and other non-jurisdictional drainage features. We can avoid or mitigate potential environmental impacts through pad placement and engineering controls. We are successful when we avoid discharge of fill material, oil, and produced water that impact aquatic ecosystems.<br><br>Once the pad is built, the planning and design of the wellbore, including the selection of equipment, materials and drilling techniques reduce safety and environmental impacts. We design our wells to meet high standards for the strength of the steel pipes that form the well 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.<br><br>Before a well is drilled, we determine the drilling fluids that will be used. Devon prefers to use water-based fluids, but some rock formations require us to use oil-based fluids. When we use oil-based fluids, we employ a closed-loop system for safety and environmental protection. In keeping with the EPA Spill Prevention, Control and Countermeasure (SPCC) Rule, we maintain plans at drilling locations to minimize the impact of potential spills. We follow local, state and federal guidelines when handling drilling fluid and mud systems.<br><br>During drilling operations, casing integrity is confirmed through pressure tests. Acoustic measurements let us know that |

| | | | | |
|---|---|---|---|---|
| | | | | the cement is properly bonded to the casing and to the surrounding rock formation.<br><br>After a well is drilled, the next step is to complete it using a process known as hydraulic fracturing. 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 percent of the mixture.<br><br>During production operations, we continue to verify the well's integrity 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.<br><br>High-definition cameras installed in some basins allow our analysts at a central location to identify a minor leak and dispatch responders before it becomes a larger spill. |
| Other, please specify<br>All well fluids | Upstream | General pollution | Compliance with effluent quality standards<br>Measures to prevent spillage, leaching and leakages<br>Emergency preparedness | In keeping with the pollution prevention principle in our Environmental, Health and Safety (EHS) Philosophy, we employ the appropriate tools and techniques to minimize discharges of oil, produced water and other materials from equipment and facilities. Examples of our preventive measures include secondary containment, nearly full tank alarms and offsite equipment monitoring with the ability to shut in facilities remotely.<br><br>To ensure compliance with environmental rules and regulations, Devon's environmental management program includes a comprehensive Spill Prevention Countermeasure and Control (SPCC) protocol that details the responsibilities, equipment, procedures |

| | | | | |
|---|---|---|---|---|
| | | | | and steps to prevent, control and provide adequate countermeasures to a discharge.<br><br>One of the important steps we take to prevent spills is making employees and contractors aware of their responsibility to immediately report near misses, such as a storage tank approaching full volume or signs of wear that may result in a leak. We respond and make repairs as needed to stop any potential spill.<br><br>When a spill occurs, we remediate, investigate the cause and take corrective action to prevent recurrence.<br><br>Devon has a robust spill-reporting and tracking system that requires reporting unintentional releases of any material associated with our operations, such as oil, produced water and chemicals. We hold ourselves accountable for improving our performance by setting an annual corporate target for the lost-spill rate. |

# W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

# W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as a standalone issue

**Frequency of assessment**

More than once a year

**How far into the future are risks considered?**

1 to 3 years

**Type of tools and methods used**

Other

**Tools and methods used**

Internal company methods

**Contextual issues considered**

Status of ecosystems and habitats

Other, please specify

Devon's water team reviews upcoming well drilling and completions schedules regularly and plans to ensure infrastructure is built to facilitate both recycled water and groundwater as necessary.

**Stakeholders considered**

Employees
Investors
Local communities
NGOs
Regulators
Suppliers

**Comment**

# W3.3b

**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

Devon considers risks as far into the future as is practicable given variability in economic, regulatory and technological circumstances. While we pay close attention to developments where climate or water are concerned, we are not in a position to speculate on and act on potential risks without appropriate information to justify the action.

Environmental Health and Safety (EHS)-related risks are considered on a day-to-day basis through existing, documented programs and practices, which are discussed in detail in (a) an annual internal workshop focused on EHS risks, stewardship, and compliance as part of our Enterprise Risk Management (ERM) program, and (b) other contexts as circumstances warrant. Additionally, an ERM annual survey of company leaders is conducted to gauge leaders' views, with various categories of risk scored for their financial impact, likelihood, time frame, and how well the company is prepared to deal with them. Devon's ERM framework helps ensure that the company is focused on the right enterprise-level risks, including EHS risks.

Water-related public policy issues are integrated into Devon's internal processes. As an example of asset-level risk identification, through a cross-functional coordination team, Devon works closely to identify, monitor, and evaluate environmental-related policy, regulatory, and legislative risks and developments within the U.S. The team engages in ongoing discussions and meets regularly to ensure Devon stays apprised of key developments, understands the potential impact of same, and develops recommendations and strategies to proactively mitigate business risks that may be presented.

Business units responsible for developing individual assets develop water plans and assess risk for planned operations, including the forecasting of water supply and demand for each project. Water planning occurs quarterly, or more frequently, as development plans and/or scenarios are updated. Standard operating procedures (SOPs) are implemented throughout operations in order to prevent, minimize, and mitigate spills.

Oil and natural gas extraction operations have been successful in some of the most extreme environments across the planet, and in the areas where Devon operates and plans to operate, we are confident in our ability to continue to operate during periods of extreme weather or natural disasters. Currently, and in the short, medium, and long-term time frames, Devon does not foresee risks associated with acute or chronic physical changes due to climate change impacting our business any more or less than the status quo. In part, this is because the status quo includes extreme weather events and natural disasters. Devon has intentionally built a robust emergency preparedness program and culture, which continues to prove itself as it is tested over time. Devon believes that capabilities-based planning has been the lynchpin for success in maintaining business continuity through a variety of difficult emergencies, including Winter Storm Uri which caused widespread disruptions in Texas and Oklahoma in 2021, the ongoing COVID-19 pandemic and numerous Gulf Coast hurricanes. Devon learns and improves from each response. Moreover, the centralized nature of Devon’s emergency response system ensures that the program and response are consistent across the company and cover all assets, regardless of whether an asset is considered to be in a hazard-prone area or not.

In our most active basin, the Delaware Basin located in arid southeastern New Mexico, Devon has invested significant capital in developing technologies for decreasing our dependence on fresh water by using alternative sources of water. This investment improves our ability to respond under a scenario where fresh water or disposal availability is constrained. Since 2015, Devon reused over 200 million barrels of water from our water treatment facilities. Integral to operations and saving water, Devon built impoundment basins to store the reusable water, which are connected by a local pipeline network that diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

# W4. Risks and opportunities

## W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

## W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Devon is a public company and, as such, adheres to the SEC's rules, regulations and guidance regarding the disclosure of material information, including risks and opportunities. Material information includes information to which there is a substantial likelihood that a reasonable investor would attach importance in determining whether to buy or sell the securities registered. Some impacts may fall below a prescriptive dollar amount, but could still be material and have a substantive impact according to this definition -- this is one of the ways that Devon considers and defines risks/impacts. These risks are described in the Risk Factors starting on page 15 of our 2021 10-K.

## W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

| | Total number of facilities exposed to water risk | % company-wide facilities this represents | Comment |
|---|---|---|---|
| Row 1 | 0 | Less than 1% | While Devon has identified potential water-related risks, existing facilities and wells are generally not exposed to water management or supply risks that could have a substantive financial or strategic impact on our business.<br><br>Devon has invested significant capital in developing technologies for reusing and recycling water as well as using alternative sources of water, which will help to improve our ability to respond to lack of freshwater availability. Devon's history of leadership in water conservation includes being the first company to recycle flowback and produced water from natural gas wells in the Barnett Shale of north Texas in 2004 and subsequently becoming one of the largest users of treated produced water in New Mexico, where we led the |

| | | | |
|---|---|---|---|
| | | | effort to establish state rules to encourage the practice.<br><br>Wherever possible, Devon works to use water in our operations that would not be consumed for drinking and other public uses and to use recycled produced water to avoid freshwater use in areas of drilling and production activity. , Devon also takes a proactive approach to planning. In all of our project designs, Devon considers access to and the cost of water, alongside the costs of methane and GHG management. Such costs are incorporated into the characterizations of an asset, which may then inform the overall allocation of capital to an area. If costs are too burdensome, the company may consider directing capital to other assets. This proactive approach helps Devon mitigate both the physical and transition risks related to water access.<br><br>In our most active basin, the Delaware Basin located in arid southeastern New Mexico & west Texas, Devon reused over 60 million barrels of water from our water treatment facilities in 2021. |

# W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

# W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

United States of America

Other, please specify

Various river basins located within our multiple operating areas in the U.S.

**Type of risk & Primary risk driver**

Regulatory

Other, please specify

Potential restrictions in access to, or disposal of, water

**Primary potential impact**

Increased operating costs

### Company-specific description

Devon's oil and natural gas extraction operations depend upon reliable access to, and the ability to dispose of, water used or produced in drilling and completions operations. Regulatory restrictions in Devon's ability to either source or dispose of water may result in higher operating costs.

In recent years, various federal agencies have asserted regulatory authority over certain aspects of the hydraulic fracturing process. For example, the EPA finalized regulations in 2016 that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. Several states in which Devon operates have adopted, or stated intentions to adopt, laws or regulations that mandate further restrictions on hydraulic fracturing, such as requiring disclosure of chemicals used in hydraulic fracturing and imposing more stringent permitting, disclosure, and well construction requirements on hydraulic fracturing operations.

While it is not possible at this time to predict the ultimate impact of these or any other future regulatory changes, any additional restrictions or burdens on our ability to operate on federal lands could adversely impact our business in the Delaware and Powder River Basins, as well as other areas where we operate under federal leases. As of December 31, 2021, less than 20% of our total leasehold resides on federal lands, which is primarily located in the Delaware and Powder River Basins.

In addition to risk driven by regulations around water use and disposal, Devon recognizes the need to mitigate physical risks associated with regional water stress. By working to identify and develop alternative sources of water for operational activities, we hope to reduce our dependence on fresh water and improve our ability to respond in a scenario where fresh water or disposal availability is constrained.

### Timeframe

1-3 years

### Magnitude of potential impact

Medium

### Likelihood

About as likely as not

### Are you able to provide a potential financial impact figure?

No, we do not have this figure

### Potential financial impact figure (currency)

### Potential financial impact figure - minimum (currency)

### Potential financial impact figure - maximum (currency)

### Explanation of financial impact

The financial impact could vary significantly based upon the availability and feasibility of using alternative sources of water.

### Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

### Description of response

Devon has invested significant capital in developing technologies for reusing and recycling water as well as using alternative sources of water, which will help to improve our ability to respond to lack of freshwater availability. Devon's history of leadership in water conservation includes being the first company to recycle flowback and produced water from natural gas wells in the Barnett Shale of north Texas in 2004 and subsequently becoming one of the largest users of treated produced water in New Mexico, where we led the effort to establish state rules to encourage the practice.

Wherever possible, Devon works to use water in our operations that would not be consumed for drinking and other public uses and to use recycled produced water to avoid freshwater use in areas of drilling and production activity. In addition to water management, Devon also takes a proactive approach to planning. In all of our project designs, Devon considers access to and the cost of water, alongside the costs of methane and GHG management. Such costs are incorporated into the characterizations of an asset, which may then inform the overall allocation of capital to an area. If costs are too burdensome, the company may consider directing capital to other assets. This proactive approach helps Devon mitigate both the physical and transition risks related to water access.

In our most active basin, the Delaware Basin located in arid southeastern New Mexico & west Texas, Devon reused over 60 million barrels of water from our water treatment facilities in 2021. Integral to operations and saving water, Devon built impoundment basins to store the reusable water, which are connected by a local pipeline network that diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

Moreover, we have 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. Devon is also actively engaged with our stakeholders upstream and downstream of our operations to improve ESG performance across our value chain. We are confident 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.

### Cost of response

0

### Explanation of cost of response

The cost of response is noted as "0," because it is integrated into our development plans. The cost of construction for each water treatment facility varies based upon the local market conditions and logistics.

## W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

| | Primary reason | Please explain |
|---|---|---|
| Row 1 | Risks exist, but no substantive impact anticipated | We obtain our commodities and raw materials through vendors in a market that can expand across the global economy. Gaps can develop with any supplier for a variety of reasons; however, we are in a position to adjust to supply gaps through working within the market to obtain the materials required by our ongoing operations.<br><br>Moreover, Devon has invested significant capital in developing technologies for reusing and recycling water as well as using alternative sources of water, which will help to improve our ability to respond to lack of freshwater availability. Devon's history of leadership in water conservation includes being the first company to recycle flowback and produced water from natural gas wells in the Barnett Shale of north Texas in 2004 and subsequently becoming one of the largest users of treated produced water in New Mexico, where we led the effort to establish state rules to encourage the practice.<br><br>Wherever possible, Devon works to use water in our operations that would not be consumed for drinking and other public uses and to use recycled produced water to avoid freshwater use in areas of drilling and production activity. , Devon also takes a proactive approach to planning. In all of our project designs, Devon considers access to and the cost of water, alongside the costs of methane and GHG management. Such costs are incorporated into the characterizations of an asset, which may then inform the overall allocation of capital to an area. If costs are too burdensome, the company may consider directing capital to other assets. This proactive approach helps Devon mitigate both the physical and transition risks related to water access.<br><br>In our most active basin, the Delaware Basin located in arid southeastern New Mexico & west Texas, Devon reused over 60 million barrels of water from our water treatment facilities in 2021. |

# W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

# W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

Technological innovation has been a Devon hallmark since our founding in 1971. Our track record for innovation includes being the first company to generate economic success drilling horizontal wells with hydraulic fracturing in shale and the first to use recycled water in our operations.

Devon has invested significant capital in developing technologies for reusing and recycling water as well as using alternative sources of water, which will help to improve our ability to respond to lack of freshwater availability. Devon's history of leadership in water conservation includes being the first company to recycle flowback and produced water from gas wells in the Barnett Shale of north Texas in 2004 and subsequently becoming one of the largest users of treated produced water in New Mexico, where we led the effort to establish state rules to encourage the practice. In our most active basin, the Delaware Basin, Devon reused over 60 million barrels of water in 2021. Integral to operations and saving water, Devon built impoundment basins to store the reusable water, which are connected by a local pipeline network that diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

Devon remains focused on continuous improvement and growing our technological capabilities and resources to match our business needs and objectives. As an example, we have installed remote surveillance equipment in the Powder River Basin and other operating areas to help mitigate spills. High-definition cameras allow operators and analysts at a central location to identify a minor leak and dispatch responders before it becomes a larger spill. Through machine learning and predictive analytics, we believe we may be able to anticipate spills and ultimately prevent them over time.

We are looking for ways to reuse produced water that we do not need for our operations and collaborating with other organizations to better understand technologies to

desalinate produced water for uses outside of the oil and gas industry. Devon's New Ventures team, established in 2021, is exploring energy transition opportunities complementary to our core business, including investment in strategic export opportunities to enhance the ultimate value of our production, electrification (including renewable-source generation), hydrogen development, carbon capture utilization and storage, liquefied natural gas opportunities, and produced water management, among others.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact**

The financial impact is highly variable and dependent upon local market conditions and logistics.

# W6. Governance

## W6.1

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

## W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

| | Scope | Content | Please explain |
|---|---|---|---|
| Row 1 | Company-wide | Description of business dependency on water | Please see Devon's Sustainability Report for an overview of Devon's water management practices, including Devon's water principles – stakeholder engagement, water management planning, technology evaluation and deployment, and best-practices development. |

| | | | |
|---|---|---|---|
| | | Description of business impact on water<br>Description of water-related performance standards for direct operations<br>Company water targets and goals<br>Commitments beyond regulatory compliance<br>Commitment to water-related innovation<br>Commitment to stakeholder awareness and education<br>Commitment to water stewardship and/or collective action<br>Acknowledgement of the human right to water and sanitation | Please also see Devon's EHS Philosophy, which includes a commitment to water conservation and pollution prevention: https://dvnweb.azureedge.net/assets/documents/Sustainability/Environment/DVN_ehs-philosophy.pdf.<br><br>In addition to the Sustainability Report, please see Devon's announcement of our environmental performance targets established in 2021, including a target to continue advancing the company's water recycling rate and to use 90% or more non-freshwater for completions activities in the most active operating areas within the Delaware Basin. This goal reflects Devon's commitments to water-related innovation, is beyond regulatory compliance, and shows commitment to water stewardship and/or collective action. |

# W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

# W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

| Position of individual | Please explain |
|---|---|
| Board-level committee | Devon's Board of Directors has the responsibility to monitor and oversee the Company's exposure to risk, including water usage.<br><br>In 2021, Devon recalibrated the Governance Committee to become the "Governance, Environmental, and Public Policy (GEPP) Committee" and incorporated expanded environmental duties and responsibilities, as well as oversight of management's efforts to integrate sustainability into Devon's business activities.<br><br>The Board's oversight of climate-related issues more broadly is exemplified by its ongoing commitment to analyze and understand the potential long-term impacts of climate-related risks and opportunities on Devon's business. One example of a climate-related decision made by the Board of Directors and, in particular the GEPP Committee, is Devon's decision to release a Climate Change Assessment Report in 2018 and update the Report in 2020 and, most recently, in 2021. As a direct result of stakeholder engagement, and to better understand the potential long-term impacts of a possible carbon-constrained future, Devon's Board of Directors endorsed the Company's engagement of an outside consulting firm to help assess the company's oil and natural gas portfolio in relation to these potential impacts. Details of the analytical approach and results of the assessment are available in Devon's Climate Change Assessment Report, which was reviewed and commented on by the Board of Directors and published on the company website.<br><br>Following the merger of Devon and WPX in January 2021, the Board recognized that the expanded footprint of the company would allow us to scale up our ESG- and climate-related performance. In June 2021, the Board unanimously endorsed Devon's new, ambitious environmental targets to reduce the carbon intensity of our operations, minimize freshwater use, and engage constructively with our value chain. |

# W6.2b

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

| | Frequency that water-related issues are a scheduled agenda item | Governance mechanisms into which water-related issues are integrated | Please explain |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Row 1 | Sporadic - as important matters arise | Monitoring implementation and performance<br>Overseeing acquisitions and divestiture<br>Overseeing major capital expenditures<br>Providing employee incentives<br>Reviewing and guiding annual budgets<br>Reviewing and guiding business plans<br>Reviewing and guiding major plans of action<br>Reviewing and guiding risk management policies<br>Reviewing and guiding strategy<br>Reviewing and guiding corporate responsibility strategy<br>Setting performance objectives | A key area of the Board's focus has been on environmental matters, including potential impacts associated with climate change policies.<br><br>One example of the Board's oversight of climate-related issues is that the Board endorsed the engagement of an outside consulting firm to improve its understanding of the potential long-term impacts of a possible carbon-constrained future and to help assess Devon's oil and natural gas portfolio in relation to these potential impacts. The Board actively reviewed and commented on the report, and then endorsed the analytical approach and results of what is now Devon's Climate Change Assessment Report, which was recently revised in 2021. Details of this Climate Change Assessment Report are available on the company website.<br><br>Devon continues to participate in external surveys and questionnaires, which has resulted in more transparency and improved the accuracy of information included in those materials. Some of the surveys that Devon participates in include Sustainalytics, MSCI, ISS, RobecoSAM, JUST Capital and VigeoEires.<br><br>Devon regularly models numerous regional and macro-level scenarios, such as changes in regulations or market conditions, to test the strength of our portfolio of reserves and resources. On an annual basis, these modelled scenarios inform the strategic decision-making of Devon's Executive Committee and Board of Directors, culminating in Devon's annual long-range plan. Devon's risk management has included, beginning in 2018, formal and ongoing consideration of the quantifiable effects of climate change on Devon's portfolio.<br><br>In addition, Devon's Governance Committee expanded to the "Governance, Environmental, and Public Policy Committee" in 2021 and incorporated expanded environmental duties and responsibilities.<br><br>Following the merger of Devon and WPX in January 2021, the Board recognized the expanded footprint |

| | | | |
|---|---|---|---|
| | | | of the company would allow us to scale up our ESG- and climate-related performance. In June 2021, the Board unanimously endorsed Devon's new, ambitious environmental targets to reduce the carbon intensity of our operations, minimize freshwater use, and engage constructively with our value chain. |

# W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

| | Board member(s) have competence on water-related issues | Criteria used to assess competence of board member(s) on water-related issues |
|---|---|---|
| Row 1 | Yes | One way to define "water competency" is if an individual knows enough about water-related issues to understand how they could potentially affect a company's business. Under this definition, we believe that our GEPP Committee is water competent, as the Committee has an understanding of how water-related issues could affect Devon. In 2021, Devon recalibrated the Governance Committee to become the "Governance, Environmental, and Public Policy (GEPP) Committee" and incorporated expanded environmental duties and responsibilities, as well as oversight of management's efforts to integrate sustainability into Devon's business activities. Devon recently elevated the importance of ESG by creating the new position of vice president of ESG and EHS, who regularly provides updates to the GEPP Committee, including regular discussions of climate-related issues and their potential relevance to Devon. |

# W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Chief Operating Officer (COO)

**Responsibility**

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

More frequently than quarterly

**Please explain**

Beginning in 2021, Devon's Chief Operating Officer is the individual with responsibility to assess and manage environmental-related risks and opportunities, including those related to water. Devon's COO is responsible for Devon's geosciences, reservoir, production, drilling, completions, facilities, field operations, environmental, health and safety and ESG functions. This diverse set of responsibilities offers a unique and hands-on perspective to environmental-related issues. In addition, Devon recently elevated the importance of ESG by creating the new position of vice president of ESG and EHS, who regularly provides updates to the GEPP Committee, including regular discussions of climate-related issues and their potential relevance to Devon.

# W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

| | Provide incentives for management of water-related issues | Comment |
|---|---|---|
| Row 1 | Yes | |

# W6.4a

**(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?**

| | Role(s) entitled to incentive | Performance indicator | Please explain |
|---|---|---|---|
| Monetary reward | Corporate executive team<br>Other, please specify<br>All employees | Other, please specify<br>Devon's corporate goals include improvement in environmental, health, and safety and environmental, social, and governance performance - together accounting for a 20% weighting of the company's performance scorecard for 2021. | Devon's corporate goals include improvement in environmental, health, and safety and environmental, social, and governance performance - together accounting for a 20% weighting of the company's performance scorecard for 2021. Incorporated within these goals is a focus to improve Devon's lost spill rate. Devon's corporate goals are a component of executive and employee compensation.<br><br>This goal further demonstrates Devon's commitment to responsible water management and helps position this effort as a high priority within the organization. |

| | | | |
|---|---|---|---|
| | | | For further transparency, Devon's Board decided to proactively disclose a summary of the Company's anticipated 2022 performance scorecard, which includes a standalone Emissions Reduction goal and ESG & Community Engagement goals that together will account for 30% weighting of the company's performance scorecard. |
| Non-monetary reward | Corporate executive team<br>Other, please specify<br>All employees | Reduction in consumption volumes | Devon set ambitious targets to reduce the carbon intensity of our operations over the short- and medium-term and to ultimately reach net zero greenhouse gas (GHG) emissions for Scopes 1 and 2 by 2050. Devon's recent performance history reflects our momentum in driving down our emissions. Devon also set targets to minimize freshwater usage in our operations by targeting 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.<br><br>Employees are encouraged and recognized within their operating teams for work they do to improve our EHS performance more broadly and to help the company achieve its ambitious environmental performance targets. |

# W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, direct engagement with policy makers

Yes, trade associations

## W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Devon's Environmental, Social and Governance (ESG) Steering Committee is formally engaged with our executive committee and board of directors on environmental performance, risks and opportunities, including those related to water management. The ESG Steering Committee includes representatives from across the business, including operations, communications, corporate governance, investor relations, environmental health and safety, legal and government affairs.

Water-related public policy issues are integrated into Devon's internal processes. In order to ensure that the company maintains strong internal alignment and focus related to public policy, including water management, Devon appointed its Vice President, Public and Government Affairs to lead and coordinate the development of public policy and advocacy strategies across the company. With a senior executive dedicated to public policy, Devon can comprehensively inform its position on the issues and engage thoughtfully and constructively with its trade associations and other external stakeholders on developing industry-led environmental solutions. Additionally, a cross-functional coordination team of subject-matter experts works closely to identify, monitor, and evaluate environmental-related policy, regulatory, and legislative risks and opportunities. The team engages in ongoing discussions and meets regularly to ensure Devon stays apprised of any developments and maintains strong internal alignment.

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

DVN_CCAR21_for CDP Water.pdf

DVN-2021-10-K_for CDP Water.pdf

DVN_2021_SustainabilityReport_for CDP Water.pdf

# W7. Business strategy

## W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

| | Are water-related issues integrated? | Long-term time | Please explain |
|---|---|---|---|

| | | horizon (years) | |
|---|---|---|---|
| Long-term business objectives | Yes, water-related issues are integrated | 5-10 | Devon incorporates water management strategies into the early planning phases of oil/gas well developments. When the planning schedule updates, Devon takes into consideration the water management strategies associated with the wells being brought online. The sourcing of consumed water is needed in advance to ensure adequate supplies in order to complete the wells. Some examples of long term consumption strategies include the sourcing of new groundwater supplies and the construction of produced water recycling facilities in order to recycle more produced water volumes. In addition to the consumption, strategies are also implemented to account for the produced water volumes that leaves a facility. Based on reservoir data, Devon is able to accurately estimate the volume of produced water a facility may discharge. Based off this information, produced water flowlines are constructed, recycling facility outlets are considered, and produced water contracts are established in advance in order to not disrupt the flow of production. |
| Strategy for achieving long-term objectives | Yes, water-related issues are integrated | 5-10 | Devon incorporates water management strategies into the early planning phases of oil/gas well developments. When the planning schedule updates, Devon takes into consideration the water management strategies associated with the wells being brought online. The sourcing of consumed water is needed in advance to ensure adequate supplies in order to complete the wells. Some examples of long term consumption strategies include the sourcing of new groundwater supplies and the construction of produced water recycling facilities in order to recycle more produced water volumes. |
| Financial planning | Yes, water-related issues are integrated | 5-10 | The capital and operating costs associated with water management are key components of Devon's budget planning process. |

# W7.2

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

**Anticipated forward trend for CAPEX (+/- % change)**

**Water-related OPEX (+/- % change)**

**Anticipated forward trend for OPEX (+/- % change)**

**Please explain**

# W7.3

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

| | Use of scenario analysis | Comment |
|---|---|---|
| Row 1 | Yes | Yes, qualitative and quantitative. Devon evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modeled through 2050. Even in such carbon-constrained scenarios, oil and natural gas remain a crucial component for fulfilling global energy demand and the model results suggest that Devon's current portfolio is likely to be resilient to these potential impacts. Accordingly, Devon remains confident that its asset portfolio is expected to (i) remain economically profitable in a range of future climate change scenarios and (ii) provide oil and natural gas in an environmentally responsible way.<br><br>Devon's risk management includes formal and ongoing consideration of the quantifiable effects of climate change on Devon's portfolio. Devon also analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development. |

# W7.3a

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

| | Type of scenario analysis used | Parameters, assumptions, analytical choices | Description of possible water-related outcomes | Influence on business strategy |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Row 1 | Climate-related | Devon's Climate Change Assessment Report was prepared by Devon with support from third-party consultants. 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." 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, | Devon's Climate Change Assessment Report discusses potential risks related to the transition to a lower-carbon economy and those posed by the physical impacts of climate change as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). One potential risk assessed in the Climate Change Assessment Report is access to water.<br><br>Devon's oil and natural gas extraction operations depend upon reliable access to, and the ability to dispose of, water used or produced in drilling and completions operations. Regulatory restrictions in Devon's ability to either source or dispose of water may result in higher operating costs.<br><br>In addition to risk driven by regulations around water use and disposal, Devon recognizes the need to mitigate physical risks associated with regional water stress. By working to identify and develop alternative sources of water for operational activities, the company plans to reduce its dependence on fresh | Devon publicly announced we are establishing new environmental performance targets focused on reducing the carbon intensity of our operations, minimizing freshwater use, and engaging constructively with our value chain. The targets include our intention to achieve net zero greenhouse gas (GHG) emissions for Scopes 1 and 2 by 2050, reduce Scopes 1 and 2 GHG emissions intensity by 50% by 2030, reduce methane emissions intensity by 65% by 2030, and achieve flaring intensity of 0.5% or lower by 2025 and eliminate routine flaring by 2030.<br><br>Moreover, Devon's New Ventures team, established in 2021, is exploring energy transition opportunities complementary to our core business, including investment in strategic export opportunities to enhance the ultimate value of our production, electrification (including renewable-source generation), produced water management, hydrogen development, carbon capture utilization and storage and liquefied natural gas opportunities, |

| | | | | |
|---|---|---|---|---|
| | | multi-industry-led initiative launched to develop recommendations for voluntary disclosure of climate-related risk. Consistent with the core elements of the TCFD framework, the report follows the structure outlined in the TCFD recommendations and focuses on governance, strategy, risk management and metrics, and targets while addressing each of the 11 TCFD disclosure recommendations. The report was prepared in alignment with TCFD guidance in effect prior to October 2021. See Devon's Climate Change Assessment Report for detailed analysis. | water and improve its ability to respond in a scenario where fresh water or disposal availability is constrained. | among others. The New Ventures team will not only help guide Devon's climate-related risk management and emission reduction efforts, but will also pursue climate-related opportunities |

# W7.4

## (W7.4) Does your company use an internal price on water?

### Row 1

**Does your company use an internal price on water?**

No, and we do not anticipate doing so within the next two years

**Please explain**

Devon relies upon actual and projected prices for water in strategic and financial planning.

# W7.5

## (W7.5) Do you classify any of your current products and/or services as low water impact?

| | Products and/or services classified as low water impact | Definition used to classify low water impact | Please explain |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Row 1 | Yes | There is no definition to classify what it means to have a low water impact; however, Devon makes every attempt to utilize less fresh water whenever possible. Devon's substantial water recycling program in the Permian Basin allows the company to utilize more recycled water; thereby, eliminating the need for more surface and groundwater. The company as a whole consumed more recycled produced water (9,766 ML) than it consumed surface and groundwater combined (9,076 ML). | The increasing usage of recycled produced water will continue to lower Devon's water impact. In addition, as future advancements in water technology are developed, Devon will continue to look for ways to reduce the companies water impacts. |

# W8. Targets

## W8.1

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

| | Levels for targets and/or goals | Monitoring at corporate level | Approach to setting and monitoring targets and/or goals |
|---|---|---|---|
| Row 1 | Company-wide targets and goals | Targets are monitored at the corporate level<br>Goals are monitored at the corporate level | Devon has a strong commitment to managing our environmental performance. Following the merger with WPX, Devon reinforced this commitment by establishing environmental performance targets to reduce the carbon intensity of our operations, minimize freshwater use, and engage constructively with our value chain.<br><br>In order to provide support for Devon's ongoing efforts in environmental, social, and governance (ESG) matters, the Board of Directors established an ESG Steering Committee, which provides regular updates to, and receives guidance from, the Board. The ESG Steering Committee supports Devon's ongoing commitment to environmental health and safety, sustainability, corporate responsibility and governance by assisting senior management in: (a) setting and implementing strategy relating to ESG matters including climate change; (b) overseeing communications with employees, investors, and other stakeholders with respect to ESG matters; and (c) monitoring and anticipating developments relating to, and improving the company's understanding of, ESG matters. |

| | | | |
|---|---|---|---|
| | | | Subsequently, the cross-functional EHS Council, comprised of leaders from Operations, Business Units, and EHS, was chartered to work closely with the ESG Steering Committee, senior leaders, and business units to ensure implementation of our strategy in order to continuously improve our environmental performance and to protect Devon's social license to operate. The EHS Council establishes and proposes EHS goals, tracks performance, and evaluates the effectiveness of Devon's EHS policies, protocols, practices, and performance. |

# W8.1a

**(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.**

### Target reference number

Target 1

### Category of target

Water recycling/reuse

### Level

Company-wide

### Primary motivation

Water stewardship

### Description of target

Following the merger with WPX, Devon established environmental performance targets focused on reducing the carbon intensity of our operations, minimizing freshwater use, and engaging constructively with our value chain. Related to water specifically, Devon established 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, Devon employs economically and operationally feasible freshwater alternatives wherever possible and has a dozen water recycling facilities throughout the basin.

### Quantitative metric

Other, please specify

Increase in water use met through recycling/reuse

### Baseline year

2020

**Start year**

2021

**Target year**

2021

**% of target achieved**

100

**Please explain**

Devon's targets are 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.

In 2019, our recycled water rate was 24%, increasing to 38% in 2020, driven by continued focus on expanding our reused/recycled water volumes. In 2021, our recycled rate improved by nearly 40% Y/Y to 53%, driven by enhanced ability to utilize third-party produced water in our operations

In 2021, we used more than 90% non-freshwater for completions activities in our most active operating areas within the Delaware Basin.

# W8.1b

**(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.**

**Goal**

Other, please specify

Devon’s corporate goals include improvement in environmental, health, and safety and environmental, social, and governance performance

**Level**

Company-wide

**Motivation**

Water stewardship

**Description of goal**

Devon’s corporate goals include improvement in environmental, health, and safety and environmental, social, and governance performance - together accounting for a 20% weighting of the company's performance scorecard for 2021. Incorporated within these goals is a focus to improve Devon's lost spill rate. Devon’s corporate goals are a component of executive and employee compensation.

This goal further demonstrates Devon's commitment to responsible water management and helps position this effort as a high priority within the organization.

For further transparency, Devon's Board decided to proactively disclose a summary of the Company's anticipated 2022 performance scorecard, which includes a standalone Emissions Reduction goal and ESG & Community Engagement goals that together will account for 30% weighting of the company's performance scorecard.

**Baseline year**

2020

**Start year**

2021

**End year**

2021

**Progress**

Please see Devon's 2022 Proxy Statement for a discussion of performance to goals for 2021.

# W9. Verification

## W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, we do not currently verify any other water information reported in our CDP disclosure

# W10. Sign off

## W-FI

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## W10.1

**(W10.1) Provide details for the person that has signed off (approved) your CDP water response.**

| | Job title | Corresponding job category |
|---|---|---|
| Row 1 | Vice President, ESG & EHS | Other, please specify |

| | | |
|---|---|---|
| | | Vice President |

## W10.2

**(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].**

Yes

# Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---|---|---|
| Please select your submission options | Yes | Public |

**Please confirm below**

I have read and accept the applicable Terms