

Devon Energy
2016 Corporate Social Responsibility Report



At Devon Energy, our vision is to be the premier independent oil and natural gas producer in North America.

We strive to deliver industry-leading results, starting with the health and safety of our employees and the communities where we live and work. We seek to set the standard as a good neighbor, a valued community partner, a caring environmental steward and a model employer.

*Our motto is **Commitment Runs Deep.***

We take this to heart and apply it to everyone who has a stake in our success – investors, employees and neighbors alike.

Devon's Vision



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What's New?

We continually work to improve the way we operate, and that includes communication. As always, we want to speak clearly and directly to each and every stakeholder with an interest in what we're doing. This 2016 Corporate Social Responsibility Report is designed to do just that; it's comprehensive, yet also easily divided by topic. However it's used, we hope it facilitates further discussion of issues important to all of us.

This report covers operations and activities at Devon in 2016. It's an update from our last report in 2015 and represents the latest chapter in a chronicle of corporate social responsibility dating back to the founding of our company by John and Larry Nichols in 1971.

We will continue to update our reporting at www.devonenergy.com.

Letter to Stakeholders

A PLAN TO DO EVEN BETTER

Responsibility

In business, difficult challenges arise every day. At Devon Energy, we see it as our responsibility to confront these challenges head-on. We work thoughtfully, in keeping with our strongly held core values. We know you're counting on us to perform with the highest degree of integrity, whether you're an investor, employee or one of our many neighbors.



As a leading North American oil and natural gas producer, we have an important part to play in fueling the progress and prosperity of our nation and the world. Reliable, affordable energy – and the many products derived from oil and natural gas – elevate the standard of living for more and more people every day. It's our role to help meet consumer demand, safely and responsibly.

Resistance

Perhaps the biggest challenge we face is opposition to fossil fuels. It's a challenge we're prepared to answer, because the world needs energy – and responsible citizens like Devon to produce it. Safe and comfortable homes, clean water and abundant food all require energy. It's the lifeblood of economic progress and technological advancement worldwide.

Actions speak louder than words, so please know this: our company is focused on delivering results. That's one of our values, along with doing the right thing and being a good neighbor. Our results have positioned Devon as a highly regarded industry leader, generating returns for shareholders, support for communities, satisfying work for employees and environmental health and safety for our neighbors.

Trust

At Devon, we establish trust among our neighbors by doing what we say we're going to do.

And so we forge ahead with our values intact and our stakeholders in mind. We invest in our communities with generous grants to schools and nonprofits and with employees volunteering thousands of hours in neighborhoods to achieve goals we all share. We continually sharpen our environmental focus, reflective of our commitment to air quality, water management and industry-leading business practices designed to preserve and protect natural resources and wildlife. We participate in our system of rules and laws, backing candidates and issues that recognize the value we create. And all of this is possible only because our people work so hard to innovate and bring about better performance.

Integrity

At Devon, we have, quite literally, put a stake in the ground. Stamped in the floor of our headquarters' entryway for every visitor to see: "Integrity defines the core of every relationship we have." This sums up our values. Everyone who works for Devon knows what's expected.

And, at the end of the day, we go home to our loved ones. We're not some faceless corporation, but a strong group of caring and engaged individuals working hard to make a positive difference in the communities we're proud to call home. Corporate social responsibility is synonymous with our integrity. We're proud of what we've achieved since we began 45 years ago, and we're busy executing on our plan to do even better.

Sincerely,

A handwritten signature in black ink that reads "David A. Hager". The signature is written in a cursive, slightly slanted style.

Dave Hager
President and CEO

Our vision is to be the premier independent oil and natural gas company in North America.

Operations Overview

PREPARED FOR ALL COMMODITY CYCLES



Devon operates exclusively onshore in North America. We build value for our shareholders by delivering exceptional operating results while maintaining financial strength, a Devon trademark since the company was founded in 1971.

Co-founders John Nichols and his son Larry instilled fiscal discipline into Devon's culture, having seen many companies fail under the weight of high debt, falling prices or short-sighted strategy. On a foundation built to safeguard against these problems, Devon has been able to withstand commodity market cycles time and again.

The collapse in oil prices that began in 2014 challenged every facet of the oil and gas industry. Devon has protected its financial strength and flexibility by selling non-core assets and reducing operating costs. Devon has emerged as a stronger company

with an advantaged capital structure. Our premier asset portfolio provides significant cash flow from a deep inventory of opportunities.

Focus areas

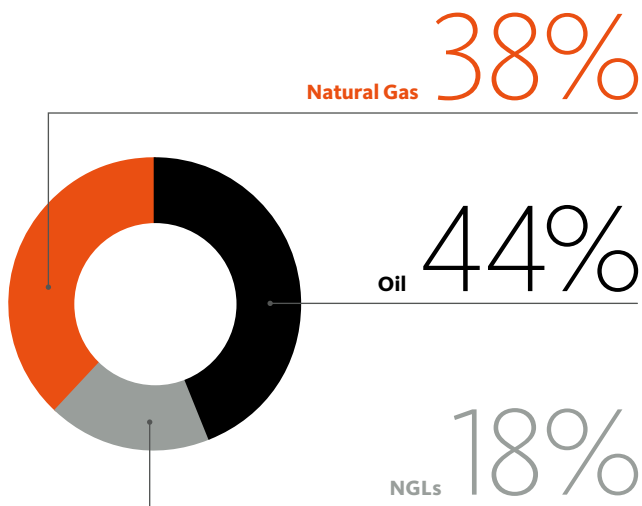
Devon's drilling activity is focused primarily in the STACK play of west-central Oklahoma and the Delaware Basin area of southeast New Mexico, two of the most promising oil fields in North America.

Devon has expanded its STACK presence to 430,000 net acres and more than 5,000 risked, undrilled locations with tremendous potential in the Meramec and Woodford formations. We're delivering best-in-class Meramec well results and will increase activity to position the company for strong production growth. With field-level operating costs the lowest in Devon's portfolio, the STACK has emerged as the company's leading oil play.

Meanwhile in New Mexico, Devon is delivering industry-leading results in the Delaware Basin. Our acreage position there includes multiple geologic reservoirs, providing nearly 6,000 drilling locations. Recent activity has focused on the 2nd Bone Spring and Leonard Shale targets, and we also see strong potential in the Delaware Sands and Wolfcamp formations.



2016 Production Mix



Through sharp focus and teamwork, we have reduced field operating costs to record lows for our company in the Delaware. Vital to this success was an industry effort, led by Devon, for a state rule change allowing for large-scale water treatment and reuse.

In Canada, our operations are focused in the oil sands of eastern Alberta. At the company's Jackfish complex, Devon produces more than 100,000 barrels of heavy oil per day. Adjacent to Jackfish, Devon holds a 50 percent interest in a project called Pike, which is being considered for future development.

Portfolio diversity

Devon also maintains its industry-leading position in the Barnett Shale area of north Texas, the source for most of Devon's natural gas production. The Barnett generates substantial free cash flow that's

used principally for exploration and development drilling elsewhere.

In south Texas, Devon is delivering best-in-class results from its wells in the Eagle Ford play. We're conducting spacing tests with our joint venture partner as we seek to expand our inventory of drilling locations in this world-class acreage position.

In Wyoming, Devon's position in the Powder River Basin offers an emerging resource opportunity. Devon has 470,000 net acres of stacked-pay potential there.

Devon also owns a controlling interest in EnLink, an integrated midstream company with pipelines and natural gas processing plants strategically positioned in some of Devon's core operating areas. This relationship augments the value of our oil and gas production while also providing a visible cash-flow stream to Devon.

STEAM DRIVES OUR OIL SANDS PRODUCTION

In the Alberta oil sands, Devon employs a recovery method known as steam-assisted gravity drainage, or SAGD, which is dramatically different from the mining operations commonly associated with the oil sands.

Through SAGD, two parallel, horizontal wells are drilled, one above the other. From non-potable saline aquifers, we produce steam and then pump it down the top well, which separates the oil from the sand and enables it to flow. A mixture of oil and water then percolates into the lower well, and is brought to the surface. Devon recovers the oil, recycles the water, and the steaming process begins again.

Corporate Governance

EXPERIENCE, CHARACTER DEFINE DEVON'S LEADERSHIP

Not only does integrity define our corporate relationships, it drives our culture and guides our governance.

Devon is led by a nine-member board of directors, including seven independent directors. Our non-independent directors are Chairman John Richels and President and CEO Dave Hager.

The board is composed of seven men and two women. There are four committees — Audit, Compensation, Reserves and Governance — each composed of independent members. An independent director also serves as lead director, who oversees the executive sessions of our independent board members at each regularly scheduled board meeting.

Directors are compensated for their work based on prevailing market norms. Stock awards represent a majority of the total compensation for board members, providing a strong financial incentive for sound governance.

When considering a director candidate, our Governance Committee looks first at factors such as integrity and accountability, informed judgment, peer respect and high performance standards.

Shareholder engagement

Shareholders elect directors annually. If a director fails to receive the required votes in an uncontested election, the director must offer to resign, according to Devon's bylaws. However, this provision has never been needed. At the 2016 shareholders meeting, for example, directors received an average approval of 97 percent.

Shareholder proposals are considered as part of the company's annual proxy process. In 2016, shareholders voted on four such proposals, none of which passed. Our bylaws also afford shareholders the right to call a special meeting. Additionally, in 2016, Devon implemented proxy access rights, which allow certain investors and groups of investors to nominate director candidates and include them in the company's proxy statement.

Devon's Corporate Governance team reaches out to investors throughout the year to ensure that Devon's senior leaders and board understand the issues of greatest significance to shareholders. These conversations most recently have

involved proxy access, executive compensation and important environmental, social and governance matters.

Executive management

Compensation for senior executives is driven primarily by goals for overall company performance and long-term investor returns. Provisions for avoiding conflicts of interest are found in the company's code of business conduct and ethics, agreed to annually by all employees and directors.

Our senior leaders provide the board with regular updates and assessments of the various economic, environmental and social risk factors the company faces. Our executives also participate in numerous small-group meetings and field visits, plus twice yearly "town hall" meetings with all employees to discuss the company's accomplishments and future objectives.

The Devon Way

CORE VALUES GUIDE DEVON'S CULTURE, DRIVE SUCCESS

A key ingredient in our success – *perhaps the key ingredient* – is trust. It is vital that our stakeholders trust us to deliver results the right way. The Devon Way.

The Devon Way promotes a culture of integrity and accountability. It enables us to work better, faster and more efficiently. It strengthens our relationships and establishes us as the partner of choice in our industry.

We seek to increase shareholder value, and we are driven to perform with a clear focus, a sense of urgency and a commitment to continuous improvement. By creating a feeling of personal ownership and promoting a culture of hard work, innovation and productivity, we encourage an environment that brings out the best in each of us.

An atmosphere of teamwork and trust inspires our employees to participate in the decision-making process. It encourages accountability and gives everyone an opportunity to develop as a leader.

A workforce that is truly engaged will derive great satisfaction from our success and from our improved work performance.

Devon's strength originates from employees who are committed to increasing shareholder value and who share in the satisfaction of our long-term success. Our corporate culture is one of fundamental respect for the environment and our neighbors. This

respect not only makes Devon a good community partner, it helps improve the quality of life in places where we live and work. By being good neighbors, we enhance our ability to meet our corporate goals.

OUR CORE VALUES

Hire the best people: Because our people are the company's most important resource, we develop employees' knowledge and creativity, and we cultivate an atmosphere where anyone can share an idea and know that it will be heard.

Always do the right thing: In a competitive environment, this mantra too often gets pushed aside. At Devon, we refuse to succumb to ethical lapses. We embrace honesty and uncompromised integrity as our foremost core value.

Deliver results: In our commitment to increase shareholder value, we instill a desire for continuous improvement, both as individuals and as a company. We do this through hard work and individual ownership of Devon's goals and objectives.

Be a team player: We foster teamwork and a culture of trust and goodwill, because a focused, fulfilled and engaged workforce brings more job satisfaction and ultimately yields a more successful company.

Be a good neighbor: We share a fundamental respect for the environment and constantly strive to improve the overall quality of life in the communities where we operate. We do this at both the corporate and individual levels.

No job is so important, no task so urgent, that the necessary steps cannot be taken to perform it safely.

EHS Performance

EXCEPTIONAL EXECUTION BEGINS WITH SAFETY AND ENVIRONMENTAL COMMITMENT

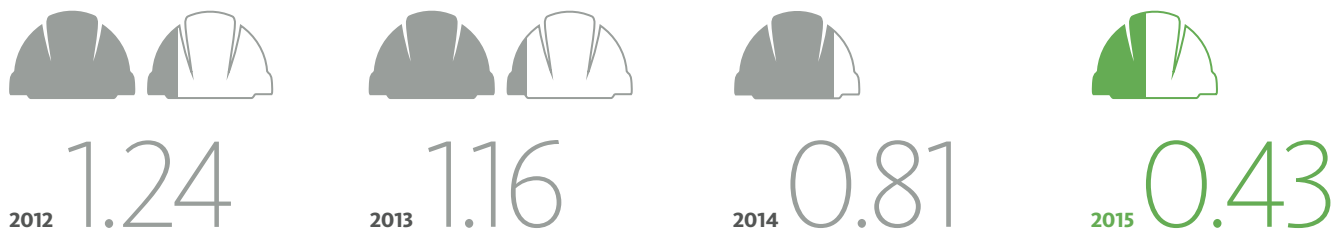


In 2016, even as Devon Energy enjoyed its longest-ever stretch without a serious injury, the company kept striving to make its operations even safer. In the process, a new mantra developed: There's no finish line when it comes to safety.

We've seen that a strong environmental and safety culture goes hand-in-hand with exceptional operations. For example, in 2012 the initial production from our oil and natural gas wells was good, and so was our safety culture – good, but not exceptional. So we sharpened our focus on safety and environmental communications with our employees and contractors.

Total Recordable Injury Rate

The number of recordable injuries experienced by Devon employees and Devon contractors **per 200,000 hours worked.**



- We conducted more pre-task meetings with workers to discuss job-site risks and strategies to avoid hazards.
- We emphasized investigating situations where someone wasn't hurt – but could have been. That allows us to put corrective actions in place.
- Supervisors spend time with their field employees, often riding with them in the field to discuss safety and other topics.

- A Senior Safety Leadership Team was formed to continuously improve the organization's safety systems. The team – composed of executives and other leaders – meets regularly to advance the cause of operating in an environmentally sound manner and getting everyone home safely every day.
- An internal Environmental Health and Safety audit team systematically searches for improvement. The team identifies and reduces potential risks and keeps Devon compliant with federal and state rules and regulations. They also follow up with local employees to ensure that the desired environmental, health and safety improvements have been made.

- We recently implemented a voluntary leak detection and repair program in the U.S., using FLIR camera technology, to drive our environmental performance.

Our safety and environmental culture has improved, and our oil and natural gas wells improved from mid-pack to leader among our peers.

Still, staying true to character, we're always looking for ways to do even better.

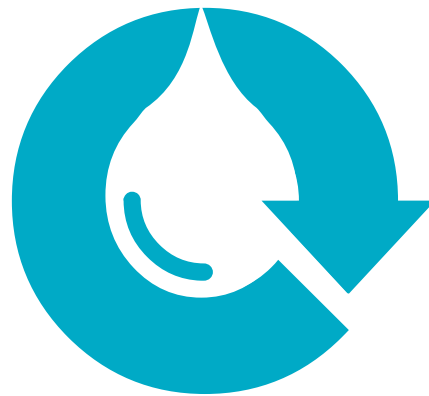
We continually refine best practices and seek new technologies to make our use of water more efficient.

Water Stewardship

LOCAL NEEDS, MUTUAL GOALS DRIVE OUR WATER STRATEGIES

In arid southeast New Mexico, Devon recently worked with state regulators to effect a rule change allowing for impoundment of produced water in double-lined storage ponds. Mobile units treat the water to make it compatible for reuse. The result: New wells are being completed primarily with recycled water.

This is the latest of several high-profile water-conservation initiatives dating to 2004, when we chose to recycle water in the first U.S. shale play, the Barnett Shale. Additionally, we use only non-potable water for the steam needed to produce heavy oil at our three Jackfish facilities in Canada. In western Oklahoma, we installed a pipeline network to carry water to and from a recycling facility that has conserved nearly 300 million gallons.



Driving these pioneering efforts are two core Devon values: Always do the right thing and be a good neighbor.

We live out these values by developing water strategies specific to local needs and based on guiding water principles posted on our website. This means establishing best practices, advancing technology and engaging stakeholders for mutually beneficial outcomes.

For instance, in New Mexico, Devon led the effort in 2015 for the necessary rule change to make water reuse economically feasible. Concurrently, Devon worked with its vendors to adjust the hydraulic fracturing chemistry to assure the success of the water reuse program. Over the following year, despite reduced activity caused by low oil prices, Devon preserved 220 million gallons of freshwater. Combined with a third-party pipeline system, this initiative also has reduced truck traffic by about 250 trucks per day.

This endeavor succeeded because state regulators, the public and industry collaborated to achieve their mutual goal of conserving water. Both the partnership and the outcome typify the sort of water solutions we incorporate throughout our operations.

Award Highlights since 2014

RECOGNIZED FOR DELIVERING RESULTS

ENVIRONMENT AND SAFETY

Newsweek Green Rankings List — annually since 2009

Devon Energy consistently ranks high among energy producers on Newsweek's annual "green rankings" list, which considers only companies in the S&P 500. In 2016, Devon ranked eighth among 41 companies listed in the energy sector. The magazine considers factors such as environmental impact, environmental policies and initiatives and transparency in reporting environmental performance.

Chairman's Stewardship Award — 2015

The Interstate Oil and Gas Compact Commission honored Devon with its 2015 Chairman's Stewardship Award in recognition of Devon's support for the Wyoming Conservation Corps, which is dedicated to assisting government agencies in the management of public lands.

Responsible Canadian Energy Award — 2014

The Canadian Association of Petroleum Producers recognized Devon's wildlife mitigation and monitoring program in the oil sands. Devon's program is a multi-pronged commitment to monitor wildlife populations,



conduct environmental research to fill key data gaps, and mitigate negative impacts to biodiversity in and around project areas.

CORPORATE CITIZENSHIP

Global Award for Excellence — 2015

The Urban Land Institute, an international advocate for responsible land use, awarded Devon Energy Center its 2015 Global Award for Excellence in recognition of the development's transformative impact on downtown Oklahoma City. Devon was chosen from 22 international finalists.

Excellence for Student Achievement Award — 2015

Devon received this award for its involvement with the Carlsbad, New Mexico, school district. The Excellence for Student Achievement Award seeks to enhance efforts to improve student achievement in school

districts throughout New Mexico. It recognizes recipients for their role in improving student achievement at the local district level.

TOP EMPLOYER

Secretary of Defense Employer Support Freedom Award — 2015

The Freedom Award is the highest recognition given by the U.S. government to employers for their support of employees who serve in the National Guard and Reserve. Devon was among 15 recipients nationwide of this prestigious award. In 2012, Devon created a goal that 6 percent of all new hires would have a military background. By 2014, 10 percent of all new hires had served their country.

Fit Friendly Business — 2014

The American Heart Association awarded Devon its Fit Friendly Business Award (Platinum Level) for the second year in a row

and its Worksite Innovation award. The Fit Friendly program recognizes employers that champion the health of their employees and work to create a culture of physical activity and health in the workplace.

Winning Company Award — 2014

The 2020 Women on Boards organization recognized Devon with its Winning Company Award. The organization is a national non-profit, grassroots campaign to increase the number of women on corporate boards by the year 2020. The organization recognizes the importance of board diversity, and the award program is intended to educate corporate stakeholders and promote companies with diverse boards as examples of good corporate governance.

100 Best Companies to Work For — 2008-2015

For eight straight years, Fortune magazine recognized Devon as being one of the nation's 100 best workplaces.

We work with our neighbors on projects and programs to preserve the landscape and protect wildlife habitat.

Land Stewardship

CARING FOR THE LAND

Oil and natural gas are produced from deep underground using industrial processes that begin and end at ground level. We take great care to minimize the surface disturbance we make and restore the land to its natural condition when our work is done. In keeping with our values, this is simply the right thing to do.

Lizards are neighbors, too

In the process of caring for the land, we often see opportunities to work with our neighbors to do even more. One example of this is in west Texas and southeast New Mexico, where we have taken a proactive role in conserving the habitat of the Dunes Sagebrush Lizard, which a few years ago was being considered for listing under the Endangered Species Act. Devon's work with the U.S. Fish and Wildlife Service and Bureau of Land Management helped the federal government to conclude that the lizard is not endangered.

We worked with the government to enroll federal and private lands into conservation agreements, under which companies pledged to avoid development in certain areas where the lizards dwell and to reclaim habitat that may have been affected by oil and gas activity in the past.

We continue to work with state and federal agencies to address land conservation and habitat protection questions, long before any species might be considered threatened or endangered.

For the trees

In Canada, we're careful to minimize our surface disturbance in the boreal forest. When we clear trees to make temporary access roads, the trees become mulch to create the roads. This substantially reduces the size of the right-of-way and conserves plant and wildlife habitat.

In Wyoming, we facilitate annual habitat reclamation projects through longstanding relationships with the University of Wyoming Conservation Corps and U.S. Bureau of Land Management. We've built wildlife-friendly fencing on federal lands and maintained forests to reduce wildfires.

In North Texas, we've minimized surface disturbance and truck traffic by directionally drilling more than 50 wells from a pair of sites near Lake Benbrook to produce natural gas from the shale formation thousands of feet below the lake.

These and other environmental partnerships help us earn and maintain the trust of our neighbors.



Supporting seismic research

Unusual numbers of earthquakes in Oklahoma, Kansas and Texas have prompted questions about whether oil and natural gas operations are involved. Specifically, researchers continue to study the seismic-related risks associated with water disposal wells, although other activities also are being studied. Devon supports these efforts.

Since its inception in 2013, the Stanford University Center for Induced and Triggered Seismicity has had Devon's support and assistance. Stanford has developed a scientific framework for assessing the risk of earthquakes, and Devon has contributed data from its operations to Stanford's research.

Likewise, Devon has cooperated with the Oklahoma Corporation Commission's regulatory directives intended to reduce seismic activity.

The science is advancing on this important topic, and Devon is pleased and proud to support it.

Controlling emissions isn't just the right thing to do; it's also good for business.

Controlling Emissions

A COMMITMENT TO CLEAN AIR

Measurable results

Part of our commitment to environmental stewardship is delivering results that are visible and measurable. Our 12-year association with the Carbon Disclosure Project (CDP) has provided us with the opportunity each year to demonstrate our efforts to control and reduce emissions and conserve water.

Devon's participation in the annual CDP questionnaire process amounts to a thorough examination of what we're doing, how we're doing it and what risks and opportunities we see ahead. The results are public, so it's more than an exercise in disclosure; it's about transparency and accountability. We welcome it.

CDP's global platform provides us with a highly credible venue for communicating with stakeholders about our environmental stewardship. Our latest disclosures can be found at www.cdp.net.

Doing more, emitting less

During the most recent reporting year, our U.S. activity (and resulting emissions) slowed as oil prices fell, but a ramp up of our Canadian operations resulted in a net increase in total emissions. Importantly, though, we achieved a net decrease in emissions intensity (CO₂ emitted per barrel of oil-equivalent produced.)



We continue to upgrade the quality of our producing properties and employ advanced operating technologies at production sites to enhance operational efficiency and facilitate emissions reduction. These ongoing efforts result in consistent year-over-year reductions in emissions intensity.

Capturing methane

Methane, the principal component of natural gas, is something we're working daily to capture. At most

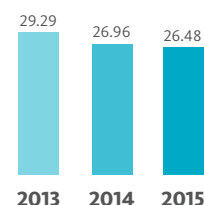
locations, methane can be used onsite or sold, so there's a strong financial incentive to reduce emissions. There's also a compelling environmental reason: methane is a greenhouse gas.

At Devon, we employ the best tools and techniques to capture methane in our well completions and production operations. We're often asked if we use LDAR (systematic leak detection and repair). The answer, of course, is yes. Equipment inspections are performed using optical gas imaging cameras to detect leaks. Repairs are made in timely fashion, and verified – often using the same cameras.

It's all part of a culture of continuous improvement at Devon – finding ways to be more efficient and effective in everything we do.

Emissions Intensity

Total Combined Scope 1 & 2



Metric Tons CO_{2e}
BOE

Calls to halt the use of carbon fuels are not only unrealistic, they're a danger to the world's poorest citizens. We will play a role in fueling the world economy for many years to come.

A Place For All Forms

THE FUTURE OF ENERGY

In a strong and growing economy, there's a place for all forms of energy – carbon fuels, wind, solar, nuclear, biomass, hydro and others yet to be developed. Today, we rely primarily on oil and natural gas to fuel the systems of our everyday lives – transportation, heating and cooling, lighting, manufacturing, telecommunications and technology.

Also, many of the products we use every day are made from plastics and compounds derived from oil and natural gas.

And yet, the calls persist to further regulate (or ban outright) oil and natural gas production, as part of a worldwide effort aimed at averting climate change. As we continue to discuss potential regulatory changes for energy production, we must consider the risks of energy shortages and higher costs. Leaving carbon fuels in the ground would necessitate more wind, solar and other forms of energy, but output from these intermittent sources cannot begin to meet the growing needs of expanding economies worldwide.

These issues have been extensively studied. The U.S. Energy Information Administration (EIA) projects that between now and 2040, global demand for all forms of energy will grow. It's expected to be slow growth for coal; much faster growth for renewables and natural gas. The changes should be most visible in

electricity generation, while natural gas also is seen making notable gains as a transportation fuel. Still, in 2040, coal is expected to remain the world's largest energy-related source of CO₂ emissions.

At Devon, we support a consistent, reliable regulatory framework; society depends on measures that are both effective and economically viable. As 55 percent of the world's energy comes from oil and natural gas, curtailing these resources could hurt economic growth and diminish the quality of life for millions of people.

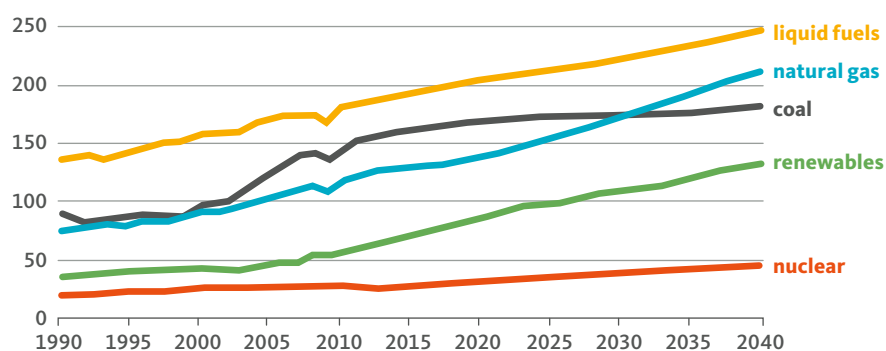
As demand grows for renewables in the years ahead, natural gas is expected to overtake coal, becoming the No. 2 source of energy behind oil around 2030. And by 2040, oil and natural gas together will still account for 55 percent of worldwide energy consumption, according to EIA.

Natural gas already is assuming a greater role. It burns cleaner than coal, emitting less than half the CO₂ and virtually none of coal's pollutants like mercury and sulfur. Natural gas is plentiful, affordable and accessible in North America and around the globe. At Devon, we are particularly well positioned to help meet growing demand for natural gas.

We expect development of new energy sources to continue. Meanwhile, it's our job to produce the energy the world needs now, and to do so thoughtfully and responsibly. We execute our plans based on rigorous analysis of the global outlook for energy, including the prospects for new regulations. We are confident that oil and natural gas will remain the world's most affordable and accessible forms of energy for many years to come.

World energy consumption by source, 1990-2040

quadrillion Btu



Source: U.S. Energy Information Administration, International Energy Outlook 2016

In an economy that runs on energy, we have a responsibility to our stakeholders to participate in the formulation of public policy.

Public Policy

ADVOCATES FOR RELIABLE, AFFORDABLE ENERGY



If you make a list of everything required for an economy to thrive and grow, energy is certainly near the top. And when you consider energy and the economy together, it won't be long before you're talking about public policy. On issues that include taxation, environmental regulation and economic growth, we must consider the interests of diverse stakeholder groups as we formulate our own positions and communicate our views.

As a leading independent oil and natural gas producer, we're acutely aware of our place in an economy that runs on energy and depends on consumer products made of plastics, fabrics and other compounds derived from oil and natural gas. It comes with the territory; we have a responsibility to participate in the public policy discussions that affect our business and the economy.

Transparency, accountability, integrity

We actively advocate on matters of public interest and are committed to doing so in compliance with all applicable laws. This includes financial disclosures, which are extensive and publicly accessible, outlining our lobbying expenditures. We do this gladly, in the interest of transparency, accountability and integrity.

Along with peer companies in our industry, Devon informs policymakers and the public about how we see the implications of a wide variety of proposed rules and laws. At all levels of government, important decisions about energy and the economy require good information and honest consideration.

Encouraging participation

We take a lead role as members of business and industry associations, trade groups and advocacy organizations that share our views. We take seriously our obligation to inform and engage with policymakers as we advocate for principles and positions in the legislative and regulatory process.

We support industry organizations and their education programs. We prepare our employees for conversations with their friends and neighbors. We also encourage participation in local elections, and we make our views known to the public.

The overarching goal is a strong, sustainable economy with a healthy demand for reliable, affordable energy. A strong economy – a prosperous nation – is one of full employment, a clean environment and wide-ranging opportunities for business and individual growth.

We promote safe, smart and vibrant communities in the areas where we operate.

Community Investment

PARTNERING WITH OUR NEIGHBORS

We support the communities where we operate because it's the right thing to do for our neighbors and our business.

Beyond financial support, we get involved through volunteerism and civic participation. These are ways Devon contributes to building the type of strong, vibrant communities that healthy businesses need to be successful.

Corporate contributions

We focus our resources where we can have the greatest impact and on programs that align with our values and goals. Working to improve the overall quality of life in the communities where we do business builds trust among our employees, improves goodwill in our communities and makes us a stronger company.

Our corporate contributions program provides support in the following areas: community development, social services, environment and conservation, education, emergency response and preparedness and arts and culture.



Devon and its employees are leading contributors to major annual nonprofit campaigns hosted by local agencies. In Oklahoma, for instance, Devon provides a one-to-one match of employee donations during the annual fundraising drives by the Regional Food Bank of Oklahoma and the United Way of Central Oklahoma.

In Canada, Devon's "Investing in People" grants provide support for programs that create healthy and respectful workplaces in the non-profit sector. Nearly 100 organizations have received the funding since 2008, when the grant was created.

At Devon, we know that the economic growth and prosperity of local communities thrives on an educated and innovative workforce. Therefore, we are committed to helping communities inspire young people to pursue an interest in science, technology, engineering and math (STEM). We work with schools and community organizations to enhance access to STEM education.



Through our Science Giants program, we partner with schools across our operating areas to encourage students to take an interest in STEM subjects at an early age. We have distributed more than \$1 million in grants to local schools in the U.S. and Canada since the program's inception in 2008. In Canada, Devon also supports Inside Education, helping teachers and students better understand the science, technology and issues related to our environment and natural resources.

Volunteering in the community

Devon employees lead community initiatives in areas where we have exploration and production operations. They are active with organizations including United Way agencies, Future Farmers of America, colleges and universities, public schools, chambers of commerce, local and regional food banks, fire departments and arts and cultural organizations. Through the Devon Volunteer Network, our U.S.

employees logged nearly 30,000 total volunteer hours during 2014 and 2015.

One coordinated effort of Devon volunteers is the annual "Stuff the Truck" event in Oklahoma City, which benefits the Regional Food Bank. At the 2016 event, 430 Devon employees stuffed, measured, boxed and wrapped more than 132 tons of food, enough for about 220,000 meals.

Even seemingly small programs can make a difference. At our Jackfish camp in Alberta, for instance, employees recycle bottles and cans, with proceeds distributed to local non-profits. Since 2010, this effort has raised \$350,000.

Additionally, dozens of Devon employees who work in our field offices serve as ambassadors in their communities. These ambassadors connect with community members, explain our operations, answer questions and attend local events.

Taxes and royalties

Devon also contributes to local communities through the taxes and royalties it pays on oil and natural gas production. In 2015, Devon paid \$392 million in production and property taxes in Texas, New Mexico, Wyoming and Oklahoma.

These taxes help fund a variety of government needs, including public education and state and county roads. Additionally, Devon pays ad valorem taxes, corporate income taxes and sales taxes where the company operates.

Devon also pays royalties to mineral rights owners. In 2015, these payments totaled more than \$1.1 billion to individuals, nearly \$130 million to the U.S. government, more than \$100 million to various state governments and \$100 million to municipal and provincial governments in Canada.

These tax and royalty payments combine to significantly improve the quality of life in every community where Devon has a presence.

We believe our employees are at their best when they're healthy, happy, fulfilled and secure.

Living Well, Working Well

COMMITTED TO A HEALTHY WORKPLACE CULTURE

Devon's commitment to do the right thing begins and ends with the people who work here. We seek to accomplish development goals in our work of course, but this also extends to life itself.

Since Devon formally stepped up its employee wellness efforts in 2009, the company has seen a positive shift in the overall workplace health culture. Employees not only engage in a variety of wellness programs and amenities at Devon, their healthier lives reflect these programs.

Because employee wellness is such a high priority, the company maintains an all-encompassing online Wellness Portal that offers employee incentives for participating in a variety of wellness activities. So many employees surpassed the annual incentive goal that an Overachievers' Club was created to recognize employees' efforts and encourage them to continue their healthy habits.





Fitness, nutrition and wellness

In addition to the Wellness Portal's health challenges, Devon offers top-of-the-line wellness centers in Oklahoma City and Calgary, Alberta, both named the Well. The facilities, available to employees and their families, are equipped with cardio and strength-training equipment, group fitness studios and locker rooms. Staff members are available to provide employees with fitness, nutrition and wellness consultation and more.

For those outside of Oklahoma City and Calgary, Devon offers a field fitness subsidy to reimburse employees and families for membership fees at local fitness centers where they live and work.

Higher standard of care

In 2013, Devon established a near-site medical clinic called The Doc in Oklahoma City for employees and their families. In collaboration with the Oklahoma City-based OU Physicians Group, the clinic is dedicated to providing a higher

standard of care through reduced wait times and increased attention. This includes a patient-centered team that coordinates care tailored for the individual employee or family member.

Development opportunities

Devon has a strategic objective to attract, develop and retain the talented people we need to meet the wide range of needs in our business. We provide career development opportunities for all employees, which, in many cases, has enabled us to fill many open leadership positions from within.

We make a point to know our employees' career aspirations and achievements, education, training and job preferences. This helps us identify future leaders and support them in reaching their development goals, making Devon a great place to work not only for a good job, but for a fulfilling career.

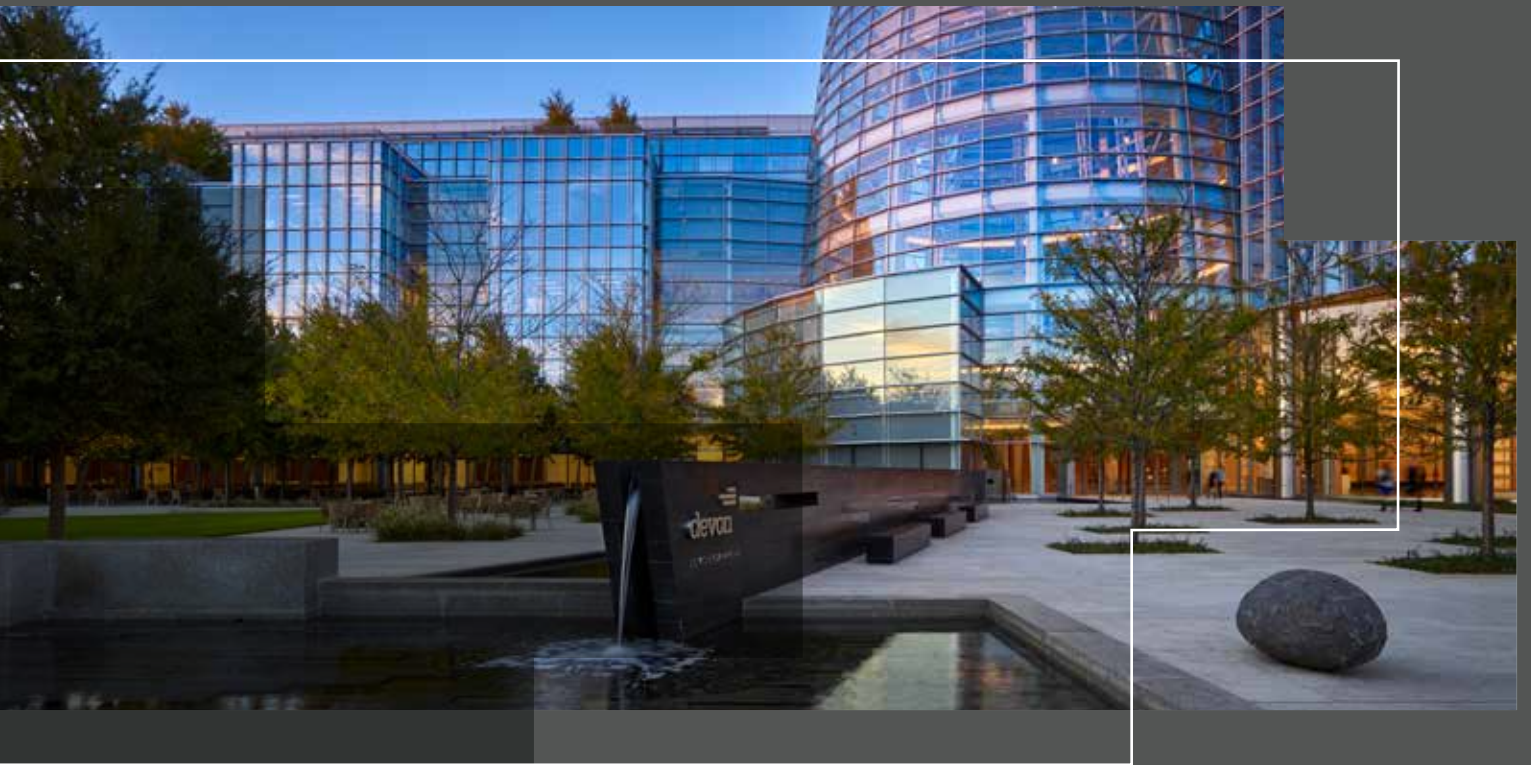
We encourage our employees to create individual development plans with career goals in mind. Plans

typically include two or three key development areas and activities such as training, practice with coaching and feedback, special on-the-job assignments and projects, and even new job assignments.

Healthier and happier

Devon's commitment to our employees' work/life balance also includes an Employee Assistance Program, which offers free confidential assistance to employees and their families who may need help dealing with a wide variety of life's challenges affecting health, relationships and/or job effectiveness.

With more than 88 percent of employees participating in wellness activities throughout 2015, Devon has seen a tremendous improvement in employees' health. Employees are healthier and happier, which leads to a more focused, more productive and more satisfied work force, while Devon reaps the benefits of lower health care costs and higher employee retention rates.



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Safe Harbor:

Forward-Looking Statements

This report includes “forward-looking statements” as defined by the Securities and Exchange Commission (the “SEC”). Such statements include those concerning strategic plans, expectations and objectives for future operations, and are often identified by use of the words “expects,” “believes,” “will,” “would,” “could,” “forecasts,” “projections,” “estimates,” “plans,” “expectations,” “targets,” “opportunities,” “potential,” “anticipates,” “outlook” and other similar terminology. All statements, other than statements of historical facts, included in this report 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 subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Devon. These risks include, but are not limited to: the volatility of oil, gas and NGL prices; uncertainties inherent in estimating oil, gas and NGL reserves; the extent to which we are successful in acquiring and discovering additional reserves; the uncertainties, costs and risks involved in exploration and development activities; regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to environmental matters; and any of the other risks and uncertainties identified in our Form 10-K and our other filings with the SEC. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this report are made as of the date of this report, even if subsequently made available by Devon on its 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.

Cautionary Note to Investors

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC’s definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. This report may contain certain terms, such as resource potential, locations, exploration target size and other similar terms. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized. The SEC guidelines strictly prohibit us from including these estimates in filings with the SEC. Investors are urged to consider closely the disclosure in our Form 10-K, available at www.devonenergy.com. You can also obtain this form from the SEC by calling 1-800-SEC-0330 or from the SEC’s website at www.sec.gov.