Includes updates since original publication.
2019 SUSTAINABILITY REPORT

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Devon Energy is proud to present our 2019 Sustainability Report, highlighting our efforts to deliver industry-leading results, while setting the standard as a good neighbor, valued community partner, caring environmental steward and model employer.

We’re also proud to be a leader in the energy industry, producing oil and natural gas products that are essential to lives and livelihoods around the world. We produce valuable commodities that are fundamental to society, and we do so in a safe, environmentally responsible and ethical way, while striving to deliver strong returns to shareholders.

Based in Oklahoma City, we employ about 1,800 men and women operating under the motto: 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.

This report reflects our ongoing commitment to transparency in reporting our environmental, social and governance (ESG) performance. It covers the most material policies, programs and performance related to our ESG efforts, as determined in a thorough materiality assessment described within.

Unless otherwise noted, the information reported applies to our operated assets in the U.S. in 2018, and excludes assets in Canada, sold effective Jan. 1, 2019, and North Texas, slated for sale or spin-off as announced in February 2019.
Materiality Assessment

The contents of this report were determined through a professional materiality assessment, conducted in 2018, to identify the most relevant and impactful performance areas for Devon and our key stakeholders. Facilitated by a third-party sustainability consultant, the assessment followed a process as recommended by the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting, published jointly by International Petroleum Industry Environmental Conservation Association (IPIECA), the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (IOGP). The process included in-depth, one-on-one interviews with Devon’s chief executive officer (CEO) and other executive committee members, and an in-person workshop with leaders of Devon’s operations, environmental, safety, corporate governance, investor relations, human resources, supply chain, legal, government affairs, corporate communications and community relations departments. Leaders identified key stakeholders and material areas for reporting and mapped them on a materiality matrix. Devon also evaluated common reporting frameworks, including those of IPIECA and Global Reporting Initiative (GRI).

The materiality assessment included a third-party review of external stakeholder materials such as assessments from Institutional Shareholder Services, Sustainalytics, MSCI and JUST Capital, plus a benchmarking study of peer-company sustainability reports.

As a result of this examination, this report is informed by common reporting frameworks and focuses on the top material areas identified during the materiality assessment process.

- Safety
- Greenhouse gas emissions
- Land conservation
- Water use and recycling
- Shareholder engagement
- Political activity
- Climate change
- Talent management
- Employee wellness
- Inclusion and diversity
- Community engagement
- Business innovation

Note that the concept of materiality used in the preparation of this report is not meant to correspond to the concept of materiality associated with disclosures required by the U.S. Securities and Exchange Commission.

We’re committed to continuously improving our environmental, social and governance performance and communicating it transparently. We invite you to give us feedback on how we’re doing by using our stakeholder contact portal:

http://www.devonenergy.com/about-us/contact-us
CEO Letter

Devon is committed to delivering results to our stakeholders in the right way. As a leading independent oil and natural gas company, that means producing energy to help meet global demand, while generating strong financial returns and long-term value for our shareholders. For Devon, it also means operating a safe, environmentally responsible and ethical business in the field and in the office.

As we’re transforming Devon into a U.S. oil growth company, we’re doing so with the interests of our stakeholders and our environmental, social and governance (ESG) progress in mind. We have a great business model, and strong ESG performance enhances our ability to manage risks and operate responsibly.

It shows our stakeholders that we’re focused on all aspects of our business and will stay true to our values, doing business with integrity and discipline, and earning our social license to operate.

Continuously improving our business and ESG performance

In all aspects of our business, Devon aims for continuous improvement. We have significantly increased operational efficiency, led our industry in transitioning to cloud computing and strategically amassed a multi-decade drilling inventory. To accelerate our progress, our subject-matter experts in technology and in environment, health and safety (EHS) are working closely with our operations staff to incorporate innovations and best practices into our day-to-day business activities.

We’re also taking a continuous improvement approach to our ESG performance, and this report is an example of our efforts to increase transparency on ESG-related issues.

Transparency and targets for better environmental performance

On the environmental front, Devon published our first Climate Change Assessment Report in 2018, providing transparency into the sustainability of our portfolio in a number of carbon-constrained demand scenarios. We cut our methane emissions by nearly 20% in the last three years, and we recently set a methane-intensity target that holds us accountable for continuing to reduce emissions.

We believe we can achieve a methane-intensity rate of 0.28% or lower by 2025.

By operating responsibly and increasing our focus on leak detection and repair, we’re confident we can meet the target. The actions we’re taking reaffirm our commitment to responsible production operations, going beyond what is required by law in pursuit of continuous improvement in environmental performance.

By shifting our focus from inspections to conversations about our personal reasons for working safely, we improved our safety performance among employees and contractors in 2018.
Social investments, improving governance

In 2018, Devon made major social investments to ensure Permian Basin communities can thrive and to spearhead a unique wraparound STEM education program in Oklahoma City. We’re involved with a wide variety of stakeholders to make these programs successful.

To strengthen corporate governance, two new directors are bringing fresh perspectives to our board. In addition, in response to ongoing shareholder engagements, we increased disclosures in our 2018 Political Activity and Lobbying Report.

At Devon, we’re measuring the performance that matters to our stakeholders. For example, in this report we’re sharing our calculations for key environmental metrics that we updated recently to make sure they reflect the true nature of our operations and our progress. We benchmark our results against our peers, and we’re focused on measuring what can improve our results as well as our ESG performance.

Momentum for the future

Our climate-change assessment found that oil and natural gas remain crucial to meeting global energy demand, even in carbon-constrained future scenarios, and that Devon’s current asset portfolio is likely to prove resilient. Devon has a proud history of finding and producing energy, and our U.S. oil-focused business has the momentum and scale to drive sustainable growth for the foreseeable future. We’ll grow and deliver results in keeping with our core values, stakeholder interests and our commitment to ESG leadership.

Thank you for your interest in Devon and the actions we’re taking to make our company an operational, environmental, social and governance leader in our industry. We continue to seek improvement in our ESG performance and welcome your feedback and questions.

Sincerely,

Dave Hager
President and CEO
Core Values: The Devon Way

*Trust is a key ingredient in Devon’s success. 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. A large medallion with the word “Integrity” is inset in the center of the rotunda of our headquarters. It’s not only a visible reminder of our culture for employees but also a tool to discuss our culture and attributes with candidates for job openings with Devon. Integrity enables us to work better and more efficiently. It strengthens our relationships and establishes Devon as the partner of choice in our industry.

We seek to increase shareholder value while operating in an environmentally and socially responsible manner. 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 a culture of hard work, innovation and productivity, Devon encourages an environment that brings out the best in each of us.

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

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

Devon’s strength springs 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 makes Devon a good community partner and helps improve the quality of life where we live and work. By being a good neighbor, Devon enhances 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 everyone 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.

**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.

**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.
Performance Highlights

As we seek to be more transparent in communicating our performance, we see opportunities to illustrate the results of our work. Some examples:

- U.S. METHANE EMISSIONS INTENSITY (% of natural gas produced)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric</td>
<td>0.315%</td>
<td>0.309%</td>
<td>0.324%</td>
<td>0.280%</td>
</tr>
</tbody>
</table>

- METHANE EMISSIONS (million tonnes CO$_2$e)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric</td>
<td>1.22</td>
<td>1.30</td>
<td>1.51</td>
</tr>
</tbody>
</table>

- U.S. RECYCLED WATER (million bbl)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric</td>
<td>2.80</td>
<td>4.67</td>
<td>11.75</td>
</tr>
</tbody>
</table>

Download performance metrics spreadsheet
1 In June 2019, our board composition changed. Three women, including the chairs of Devon’s Audit and Governance committees, currently serve on our board of directors.
A premier portfolio of assets with a deep inventory of opportunities

Devon Energy finds and produces oil, natural gas and natural gas liquids from leading producing regions in the U.S. We have strong and sizable acreage positions with a high-quality, multi-decade inventory of drilling locations. Our careful assessment indicates our portfolio is sustainable, with assets that can be profitable even in an aggressive low-carbon scenario.

We operate in the Delaware Basin of southeastern New Mexico, the Anadarko Basin in western Oklahoma, the Eagle Ford Shale in Southern Texas and the Powder River Basin in Wyoming.

Devon’s operating teams are accountable for working in a safe and environmentally responsible way, delivering strong returns while complying with all applicable laws and regulations, along with Devon’s corporate policies. We apply the latest tools and best practices to reduce emissions and limit our use of fresh water. We firmly believe that our focus on the details required to work safely and to protect the environment serves to elevate our company’s performance in all areas.

Our commitment to operational excellence includes controlling our costs and seeking the highest-margin production available in our core areas. In a relentless drive to increase the value we create for all of our stakeholders, we are growing oil production without increasing capital spending.

Additional information about Devon’s performance is available in our detailed quarterly Operations Reports.

🔗 Quarterly Results (devonenergy.com)
The Future of Energy

Oil and natural gas will fuel the world economy for decades to come.

In recent years, the oil and natural gas industry has positioned the U.S. to meet its current and future energy needs, making our country, economy and people more secure. Our industry is powering innovation and environmental and economic progress, and Devon is proud to be a part of it. With our vision to be a premier independent oil and natural gas exploration and production company, the work our employees do every day contributes to the local, national and global economies. We produce a valuable commodity that is fundamental to society, and we do it in a safe, environmentally responsible and ethical way, while striving to deliver strong returns to our shareholders.

In a strong and growing economy, there’s a place for all forms of energy – carbon fuels, wind, solar, nuclear, biomass, hydro and others still to be developed. Today, we rely primarily on oil and natural gas to fuel the systems of our daily lives – transportation, heating and cooling, lighting, manufacturing, telecommunications, technology and agricultural fertilizers. Many of the products we use every day are made from plastics and compounds derived from oil and natural gas, which also fuel the machinery required to manufacture these materials.

Oil and natural gas are vital to our way of life. At Devon, we support a consistent, reliable regulatory framework for energy; society depends on sound measures that are both effective and economically viable to ensure there is adequate supply today and in future decades.
Growing demand for all forms of energy

The U.S. Energy Information Administration (EIA) projects that under all scenarios considered, between now and 2050, global demand for all forms of energy will grow. In the main reference case, fossil fuels will continue to meet most of the world’s energy demand. Consumption of natural gas is projected to increase by 44% by 2050, with petroleum and other liquids up by 22%.

Driven by electricity demand growth and economic and policy drivers, worldwide renewable energy and natural gas consumption will grow steadily between 2018 and 2050, according to EIA, as petroleum and liquids consumption continues to increase in the industrial, commercial, and transportation sectors.

EIA projects that natural gas will overtake coal by around 2030 to become the No. 2 fossil fuel behind oil. And by 2050, oil and natural gas together will account for half of worldwide energy consumption, with coal at 20%, according to the EIA.

Natural gas is assuming larger roles in transportation and electric generation. It’s cleaner than coal, emitting less than half of the CO₂, and with virtually none of coal’s pollutants like mercury and sulfur. Natural gas is plentiful, affordable and accessible in North America and around the world. At Devon, we are particularly well-positioned to help meet the growing demand for natural gas.

As new sources of energy continue to emerge, it’s our job to produce the energy the world needs now and to do it thoughtfully and responsibly. We execute our plans based on rigorous analysis of the global outlook for energy and the potential for new regulations, while recognizing and responding to concerns about climate change.

We’re confident that oil and natural gas will remain the world’s most affordable and accessible forms of energy for many years to come. Devon intends to be a sustainable provider of these essential resources over the long term.

WORLD ENERGY CONSUMPTION BY ENERGY SOURCE
(quadrillion Btu)

Source: EIA, International Energy Outlook 2019
The Environment section of our 2019 Sustainability Report includes:

- Overview
- Air Quality
- Greenhouse Gas Emissions
- Climate Change
- Water Management
- Land Conservation
- Seismicity
- Waste Management
- Spill Prevention
- Well Safety
Environment Overview

Proactive Stewardship and Conservation

Being a good neighbor is a core value that drives Devon’s commitment to environmental stewardship. As a responsible oil and gas business, we share a fundamental respect for the environment and constantly strive to improve the overall quality of life in the communities where we live and work.

To improve our environmental performance, Devon is proactive and action-oriented. We incorporate environmental considerations into our activities, decisions and compensation programs and often go above and beyond what is required by law. Devon applies economically feasible technologies to avoid or minimize our impact on the air, water and land.

Angie Herje
EHS Professional

Angie is a key player in Devon’s commitment to continuous improvement in environmental performance. Her area of focus is EPA air quality reporting, with an emphasis on managing Devon’s Greenhouse Gas Program. “I firmly believe the management and reduction of greenhouse gas is important not only to Devon’s future success, but also to the health of our environment. It’s unquestionable that Devon believes in reducing our emissions and strives to stay on the leading edge of this issue.”

RESOURCES

To ensure employees and contractors share and participate in Devon’s environmental commitment, we make the following available:

- 2019 CDP Climate Change Response
- 2019 CDP Water Response
- 2018 Disclosing the Facts Response
- Environment, Health and Safety (EHS) Philosophy
  Describes the expectations and principles that guide the decisions that affect our operations.
- EHS protocols for business processes
  Required of employees and contractors to ensure environmental, health and safety compliance. Devon’s protocols address air quality; waste management; spill prevention, control and countermeasures; contractor management; pre-construction environmental clearance; training; event reporting; emergency preparedness; risk management; and audits.

EHS audits
Conducted regularly in each operating area to identify and mitigate environmental risk and improve performance.
Because of our emphasis on environmental stewardship, we’ve established a positive record of performance recognized by our peers and regulators. We have had a long-standing focus on reducing emissions, and we have documented our efforts and results in CDP (formerly Carbon Disclosure Project) Climate Change Reports for 15 years.

An industry leader in water conservation for the past decade, Devon conserves and protects fresh water supplies and reports our progress in the CDP Water Report. We’re also committed to protecting our environment, and we take great care to be good stewards of the land, wildlife and habitat around our operations.

Devon tracks specific metrics for greenhouse gas (GHG) and methane emissions, energy use, water use and disposal, and spills to the environment, and we share them in this report and other public disclosures. We continue to increase each year our transparency on environmental performance because we’re proud of our efforts and results, and we understand we’re accountable for them. For additional metrics and details on our practices, please refer to our 2019 CDP Climate Change Report and CDP Water Report.

We engage with investors, communities and other stakeholders on climate change, water use, seismicity and other environmental issues. In response to feedback from our stakeholders, we published our Climate Change Assessment Report in 2018. Devon will continue to listen, increase transparency and act on concerns to earn our stakeholders’ trust and to protect the environment.

Environmental performance management resources

Devon has a strong commitment to managing our environmental performance. Our Environmental, Social and Governance (ESG) Steering Committee sets strategy and monitors environmental performance and issues, including climate-change related issues, to address stakeholder concerns. The cross-functional Environmental, Health and Safety (EHS) Council formed in 2018 works closely with the ESG Steering Committee and senior leaders to ensure implementation of our strategy to continuously improve our environmental performance and to protect Devon’s social license to operate. Devon’s environmental professionals work hand-in-hand with our business units to ensure our operations are environmentally sound and to comply with all laws, regulations and company policies.

Every Devon employee is responsible for taking ownership of environmental performance. We expect employees to demonstrate environmental stewardship, be accountable for their actions, plan ahead, participate in environmental programs, recognize positive attitudes and behaviors, and communicate openly.

EHS Council focused on performance

Devon established an Environmental Health and Safety (EHS) Council to advance a culture focused on protecting the environment, our employees and contractors. Sponsored by our EHS vice president and senior leaders in our oil and gas operations, the Council includes managers of our various business units and operations.

The objectives of the Council include setting EHS strategy and goals, tracking performance and sharing best practices. The Council also reviews safety incidents and develops corrective actions as needed. While evaluating the effectiveness of Devon’s EHS policies, protocols, practices and performance, the Council also reviews emerging EHS and ESG issues, and proposed laws and regulations and their potential financial, operational or reputational impact on the company.

In setting 2019 goals, the Council shifted from focusing only on lagging metrics—which focus on incidents that occurred—to also incorporating leading metrics, so that we can anticipate and prevent incidents from occurring. By setting more meaningful goals, we have the opportunity to improve our performance.
### ENVIRONMENT OVERVIEW

**ENVIRONMENT METRICS**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct GHG Emissions (million tonnes CO₂e)</td>
<td>5.20</td>
<td>5.37</td>
<td>5.65</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.31</td>
<td>2.39</td>
<td>2.60</td>
</tr>
<tr>
<td>Canada</td>
<td>2.89</td>
<td>2.98</td>
<td>3.05</td>
</tr>
<tr>
<td>Direct and Indirect GHG Emissions (million tonnes CO₂e)</td>
<td>5.77</td>
<td>5.94</td>
<td>6.30</td>
</tr>
</tbody>
</table>

Due to an increase in activity levels in 2018, our overall emissions slightly increased. However, we remain committed to improving emissions-control technology and leak detection and repair (LDAR) practices, and to reducing venting and flaring.

**GHG Emissions Intensity (tCO₂e/MBOE)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>10.52</td>
<td>11.65</td>
<td>11.77</td>
</tr>
<tr>
<td>Canada</td>
<td>56.01</td>
<td>56.30</td>
<td>66.34</td>
</tr>
</tbody>
</table>

Despite increased activity levels in 2018, Devon’s U.S. emissions intensity was held largely in check by better facility design and control technology. Canada’s emissions intensity increased due to reduced production levels resulting from market conditions, as well as unexpected operational challenges at the Jackfish SAGD facility.

**Methane Emissions (million tonnes CO₂e)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>1.51</td>
<td>1.30</td>
<td>1.22</td>
</tr>
</tbody>
</table>

Methane emissions have been decreasing due to improved emissions-control technologies and improved LDAR practices.

**Methane Emissions Intensity (tCO₂e/MBOE)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>4.31</td>
<td>4.16</td>
<td>3.73</td>
</tr>
<tr>
<td>Canada</td>
<td>10.96</td>
<td>8.75</td>
<td>8.54</td>
</tr>
</tbody>
</table>

Lower methane emissions intensity is a result of concerted efforts to reduce venting and flaring and improve our LDAR practices.

**U.S. Methane Emissions Intensity (% of natural gas produced)**

- 2016: 0.315%
- 2017: 0.309%
- 2018: 0.324%

Devon’s U.S. methane emissions intensity rate will be used to track progress toward Devon’s goal of achieving a methane intensity rate of 0.28% by 2025. While our overall methane emissions and methane intensity rate in tCO₂e/MBOE decreased in 2018, our methane intensity rate as a percentage of natural gas produced increased, due in part to lower gas production following the sale of our Johnson County Barnett Shale assets.

**Indirect Emissions - Electricity Use (million tonnes CO₂e)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Used - Fuel and Electricity Use (trillion BTU)</td>
<td>81.12</td>
<td>85.70</td>
<td>73.49</td>
</tr>
</tbody>
</table>

Consumption of electricity represents a small portion of our overall emissions profile.

**U.S. Water Usage (million bbl)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled (million bbl)</td>
<td>2.80</td>
<td>4.67</td>
<td>11.75</td>
</tr>
<tr>
<td>Sourced (million bbl)</td>
<td>22.60</td>
<td>46.65</td>
<td>55.75</td>
</tr>
</tbody>
</table>

Water use varies with activity levels. A steep industry downturn in 2016 led to significantly reduced activity. However, in any year, Devon seeks alternatives to fresh water supplies.

**U.S. Water Usage Intensity (million bbl/well completion)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Devon is an industry leader in developing recycled-water technologies and best practices.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Canada Water Usage (million bbl)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada SAGD Water Recycle Rate</td>
<td>88.6%</td>
<td>90.7%</td>
<td>87.9%</td>
</tr>
</tbody>
</table>

**Canada SAGD Non-Saline Water Usage (million bbl)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reportable Spill Events Released to the Environment (events)</td>
<td>178</td>
<td>159</td>
<td>212</td>
</tr>
</tbody>
</table>

As we seek to prevent spill events, we remediate, investigate the cause and take corrective action to prevent recurrence.

**Reportable Spill Volumes Released to the Environment (barrels)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
</table>
| Devon’s U.S. methane emissions intensity rate calculation includes all natural gas produced at Devon operated facilities and all methane emissions from Devon facilities associated with the production of oil and natural gas. Click here to see Devon’s calculation methodology for methane emissions intensity for U.S. operations.

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

2 Our emissions reporting methodology varies depending on the emissions source and the applicable regulatory requirements. We include all reportable emissions under EPA’s Greenhouse Gas Reporting Program (GHGRP), as well as non-reportable emissions, from our production assets in the U.S.

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

4 Refers to the volume of water reused in steam generation.
Air Quality

Controlling and reducing emissions is vitally important to our environment and our business. Efficient and effective operations improve our environmental performance, risk management, regulatory compliance and shareholder returns.

Air emissions performance management

Devon’s Environmental, Social and Governance (ESG) Steering Committee reviews our air emissions performance and programs in the context of an evolving regulatory, legal and stakeholder landscape. The Steering Committee communicates current and emerging issues to our senior leaders for consideration in risk management and regulatory and legal compliance.

Our cross-functional Environmental, Health and Safety (EHS) Council works closely with the ESG Steering Committee and senior leaders to ensure implementation of our strategy to improve environmental performance, including our operational programs to reduce air emissions.

Our U.S. environmental program includes an air-quality protocol that clearly defines responsibilities and requirements for communications, compliance, recordkeeping and training.

Ensuring compliance

Compliance with all applicable federal and state environmental laws and regulations is at the core of our EHS Philosophy. We have a compliance process to ensure our employees meet the requirements of Devon’s air permits in our operating areas. In addition, to ensure our operations comply with air permit requirements, we use an innovative web-enabled database that quickly distributes requirements for new and modified air permits to the people directly responsible for compliance.

Devon facilities and equipment may at times emit gases such as volatile organic compounds (VOC) or nitrogen oxide (NOx) that are subject to state permits or emissions-authorization limits. Requirements are clearly communicated to our operating facilities to ensure we maintain compliance with the relevant permits or limits. Some Devon facilities are subject to annual emissions inventories, which we submit to the appropriate regulatory agencies. In states where these inventories are required, the information is publicly available.
AIR QUALITY

2018 air emissions methodologies and performance

As part of our continuous improvement culture, Devon is improving our air emissions performance in a variety of ways. We’ve steadily progressed our voluntary leak detection and repair program, in part by expanding it to include valves, pumps and other equipment. Methodically identifying and fixing leaks has largely resolved the highest-risk issues and reduced our methane emissions over time.

By visiting sites and using infrared camera technology, we continue to learn and incorporate best practices in facility design, equipment improvements and preventive maintenance to further reduce emissions from our facilities. For example, we take steps to ensure closed-vent systems and control devices are designed and installed properly. This includes conducting engineering and pre-startup reviews.

Engines that use diesel fuel to power drilling rigs and hydraulic fracturing operations are a significant source of emissions. We’ve started using engines that run on compressed natural gas (CNG), liquefied natural gas (LNG) or fuel gas instead of diesel, which lowers emissions, as well as noise and our overall operational footprint. We’ll continue to look at alternative fuels, new technologies and other methods to reduce air emissions.

In 2019, we assembled a cross-functional team to evaluate new and emerging emission-detection technologies. These include expanding the capabilities of optical gas imaging (OGI) cameras, sensor-based continuous monitoring, facility flyovers and even remote detection using satellites.
Greenhouse Gas Emissions

Reducing carbon dioxide (CO₂), methane and other greenhouse gases (GHG) is important to us. We’re taking our proactive approach a step further by voluntarily establishing a methane-reduction target.

Cutting GHG and methane emissions that trap heat in the atmosphere is important to our stakeholders and material to running an efficient, compliant oil and natural gas production business. We’ve made reducing GHG emissions intensity a pillar of our EHS Philosophy, and we apply industry-leading tools and techniques to capture methane in our well completions and production equipment.

GHG emissions methodology and performance

Devon reports air emissions from fuel combustion, flaring, fugitive emissions, venting and storage losses (Scope 1) and electricity consumption (Scope 2) for assets under our operational control. We collect data and submit annual GHG emissions according to the requirements of the U.S. Environmental Protection Agency (EPA) Mandatory Greenhouse Gas Reporting Rule.

Our commitment to environmental stewardship includes delivering visible, measurable results.

We’ve demonstrated this by voluntarily reporting on how we control and reduce emissions via CDP (formerly Carbon Disclosure Project) for 15 years. Here are links to our most recent CDP climate change disclosures, all of which are also publicly available:

- 2019 CDP Climate Change Response
- 2018 CDP Climate Change Response
- 2017 CDP Climate Change Response
- 2016 CDP Climate Change Response

Partnering, not competing

Devon is a founding member of The Environmental Partnership, a group of companies in the U.S. oil and natural gas industry committed to improving environmental performance. It includes companies of all sizes, including many of the country’s major producers.

We believe that addressing environmental impacts is an important component of securing our social license to operate. To that end, The Environmental Partnership’s initial focus is on solutions that are technically feasible, are commercially proven and will result in significant emissions reductions.

The Environmental Partnership provides a forum for participants to share information and analyze best practices and technological breakthroughs in order to help improve our understanding of emissions and how best to reduce them.
Reducing methane intensity

We’ve reduced our methane emissions by nearly 20% over the last three years, mainly through our increasing use of technology. To reinforce our commitment to emissions reductions, we have established a target to limit methane emissions from our oil and natural gas production operations. We are committed to reducing our methane intensity rate to 0.28% or lower by 2025, calculating the rate based off emissions from Devon-operated oil and natural gas production facilities as a percentage of natural gas produced. Devon’s methane-intensity rate was 0.324% at year-end 2018. Our methane intensity calculations have undergone third-party verification.

As part of our overall methane management program and to achieve and maintain our intensity goal, Devon has implemented and will continue to expand our use of emission-reduction technologies and work practices going beyond what is required by regulations.

Leak detection and repair program

Among our primary means of emissions reductions is expansion of our ongoing leak detection and repair (LDAR) program. To date, we’ve invested more than $1 million in infrared cameras to perform frequent equipment inspections across our operating areas using optical gas imaging cameras to detect leaks, prioritizing our inspections on facilities with the highest production volumes. LDAR surveys are performed in all new facilities built since 2015. To meet our new emissions reduction target, we’ll continue to expand the surveys to facilities that don’t currently have a federal or state regulatory requirement.

Each Devon business unit employs environmental operators who are primarily focused on conducting infrared camera surveys and making sure repairs are successful. Using LDAR data, we’ve been able to further refine our proactive maintenance programs by identifying the equipment most likely to develop leaks. This has led to replacing certain tank valves with thief hatches that have a lower leak rate and focusing on specific equipment failures and settings. It has also improved flare maintenance and allowed us to verify performance of vapor recovery units (VRU). In 2018, our operators surveyed nearly 1,500 Devon facilities across all four of our U.S. business units. They found very few leaks, and almost all the leaks they found were repaired on the same day.

To help our offices meet the regulatory requirements for inspections, our environmental and operations teams developed a mobile app to capture, enter, track and document LDAR survey findings. The app automatically syncs with our enterprise data system, schedules any needed repairs, creates work orders and documents successful repairs, all of which are required for compliance. As a result, our LDAR program is more efficient, consistent and systematic, and we can track our repairs to further refine our preventive maintenance programs.
We strive to avoid venting and to limit flaring at all locations, both to protect the environment and to capture and retain as much gas as possible for its economic value. To do this, we continually evaluate and optimize facility design; install and maintain reliable pressure-relief valves to minimize tank releases; install vapor-recovery equipment to capture flash gas emissions and route them to a pipeline. We also use green completions to capture produced gas during completions and well workovers following hydraulic fracturing. Where flaring is unavoidable, we install monitoring equipment to help ensure the gas is properly destroyed rather than vented.

In recent years, Devon has implemented new technologies and upgraded our existing operations to reduce methane emissions from production sites. Since 2011, we’ve replaced high-bleed natural gas pneumatic controllers on hundreds of wells in Wyoming, Oklahoma, New Mexico and Texas, and we no longer use them on new wells.

We’ll continue to take a proactive approach to reducing both emissions and emissions intensity, with a focus on detecting and repairing leaks, capturing methane to avoid venting and flaring, implementing new technologies, upgrading existing facilities and complying with regulations. We believe this will help Devon protect the environment, while earning stakeholder trust and lowering the costs of regulatory compliance.
Climate Change

We’re committed to transparency and accountability for our environmental performance and to addressing stakeholders’ concerns about climate change. To act on our core value to do the right thing – for our environmental stewardship efforts, our stakeholders and our business – Devon published a Climate Change Assessment Report in 2018.

Listening to our stakeholders

Understanding the political, legal, technological, market and reputational risks of the transition to a lower-carbon economy is important to Devon’s business. Aligned with our stakeholders, Devon is committed to understanding the potential impacts of climate change and a possible carbon-constrained future on our long-range business plans.

In 2018, we retained a leading third-party consultant, ICF, to help assess Devon’s oil and gas portfolio in relation to the potential impacts. During this assessment, we evaluated several possible future climate-change scenarios to quantify the risks to Devon from aggressive global carbon reduction policies, modeled through 2050. Devon evaluated pricing scenarios and model results from both ICF and the widely referenced International Energy Agency (IEA). In response to stakeholder interest, the report focuses primarily on the transitional risks, in particular the risks of potential changes in demand and price for oil and natural gas as a result of policies related to greenhouse-gas reduction.

The assessment determined that oil and natural gas remain crucial to meeting global energy demand, even in the carbon-constrained future scenarios and that Devon’s current portfolio has the characteristics to be resilient in such scenarios. Additional conclusions included:

- Devon’s assets are likely to be well-positioned to remain profitable, even in an aggressive low-carbon scenario.
- Model results under some low-carbon scenarios (e.g., the IEA Sustainable Development Scenario) reflect that oil, natural gas and natural gas liquids (NGL) prices will be robust and Devon’s current portfolio is likely to thrive under these scenarios.

The chart above shows the projected oil price trajectories in each of the modeled scenarios.

We continue to work proactively to reduce our emissions by driving innovation, operational excellence, energy efficiency and conservation. Devon plans to closely monitor climate-change impacts in the market and policy arenas so that we are prepared to adapt our business. Devon’s risk-management program includes formal and ongoing consideration of the quantifiable effects of climate change on our portfolio. We are committed to continuing dialogue with our board of directors and other stakeholders about these risks.

Climate Change Assessment Report
Water Management

Water is an essential resource for both our neighboring communities and our oil and gas operations. At Devon, water conservation and recycling are vital to our business and our social license to operate.

Committed to water conservation and reuse

Devon began recycling water in 2004 in our first U.S. shale play, the Barnett Shale in north Texas, and we’ve been building a track record of water conservation ever since. We’ve collaborated with stakeholders in government, industry and the communities where we work to find ways to conserve water in our drilling and completions operations. Above all, we’re committed to water conservation and reuse and to our core value to be a good neighbor.

We work to use water in our operations that would not be consumed for drinking and other public uses and to use recycled produced water in our operations wherever possible to avoid fresh water use in areas of drilling and production activity. Every gallon of produced, recycled, brackish or non-fresh water that Devon uses in our operations reduces our consumption of fresh water.

Water-use performance management

In some of Devon’s operating areas, water users are competing for limited supplies, which constitutes the World Resources Institute’s definition of baseline water stress. This is why we seek to conserve, reuse and recycle as much water as we can.

To manage water responsibly in water-stressed areas and throughout our operations, we’re guided by the environmental stewardship principle in our Environmental, Health and Safety (EHS) Philosophy. We continually seek to understand our relationship to the environment and adopt technically sound and economically feasible controls that will minimize our impact to the environment. Devon’s water principles – stakeholder engagement, water-management planning, technology evaluation and deployment, and best-practices development – help us execute a sustainable water-management strategy that balances ecological, economic, operational and social issues.

Our EHS professionals and the EHS Council monitor laws, regulations and stakeholder concerns related to water and share them with our leadership team. Devon’s business unit leaders and subject-matter experts lead our water planning efforts, including learning about new technologies and sharing best practices. Devon’s water planning includes an evaluation of potential risks to our operations and the needs of surrounding communities. The plans are updated periodically based on business needs and local environmental considerations.

Devon is a founding member of the Energy Water Initiative, a collaborative effort to study, communicate and improve lifecycle water use and management.
Conserving water in the Delaware Basin

Our history of leadership in water conservation includes being the first company to recycle flowback and produced water from natural gas wells in north Texas and becoming the largest user of treated produced water in New Mexico, where we led the effort to establish state rules to encourage the practice.

In the Delaware Basin in arid southeastern New Mexico, we’ve reused 21 million barrels of water in the last four years. Reused and brackish water account for more than 80% of the water used in our operations. To store reusable water, we’ve built eight impoundment basins – each 15 feet deep and covering four acres. Integral to our operations and to saving water, they’re connected by a local pipeline network that eliminates the need to haul away 500 truckloads of produced water each day. We use fresh water in the Delaware Basin only for blending and only when reused water isn’t available in sufficient quantities.

In addition, we’re looking for ways to reuse produced water that we don’t need for our operations. Devon is collaborating with the EPA and 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, the regulatory framework for reusing desalinated produced water also needs to be developed. We’ll continue to work with stakeholders and apply our water stewardship principles to conserve fresh water in New Mexico.

Local approach to water management

We take a local approach to developing water-management plans, which consider the availability and quality of water, local ecosystems and habitats, regulations and other factors.

Given our strong desire to be good environmental stewards, we actively seek alternatives to fresh water. When feasible, we use brackish water and flowback and produced water as sources for well completions. In Oklahoma, we’ve also built local pipelines connecting well sites to central water reuse and storage facilities, allowing us to conserve millions of barrels of water. In Wyoming, some produced water is used for agriculture and wildlife under the regulatory beneficial use category.

Devon is conscious of our fresh water use in the Eagle Ford play in Texas and uses non-potable sources where available. However, due to the smaller scale of our current drilling and completion activities in Texas, it isn’t yet economically feasible to invest in large-scale recycling facilities in the area.

For more details on Devon’s water-management program and water-use metrics, please refer to our 2019 CDP Water Response.
Land Conservation

Our EHS Philosophy sets the expectation that we will achieve excellence while we’re working to protect our ecosystem. Protocols such as pre-construction environmental clearance guide our stewardship and regulatory-compliance efforts.

Devon operates in prairies, grasslands and deserts, working with various stakeholders including public and private landowners. The industrial processes we use to produce oil and natural gas begin and end at ground level. We take great care to be good stewards of the land, wildlife and habitat and we seek to minimize the surface disturbance we make.

Assessing first

Devon has integrated biodiversity management into our process for selecting the placement of our well pads. A pre-construction environmental assessment form is a tool we use throughout our operating areas. Once the future location of a well pad is staked, this environmental assessment is used to evaluate the potential environmental impact in that area.

Potential impacts that are considered during this assessment include the proximity to waters of the U.S., potential impact on protected species or critical habitats, proximity to any public receptors, location of nearby floodplains, potential for sediment discharge to a waterbody, evidence of pre-existing contamination and potential impact to any environmentally sensitive receptors.

Performing and evaluating the results of this assessment prior to the construction of the well pad allows for our teams to determine if there are environmental concerns and to adjust accordingly.

Conservation and biodiversity projects

Our effort to protect the environment involves partners, including our neighbors, industry groups and state and federal agencies such as the U.S. Bureau of Land Management (BLM). Our perspectives are diverse, yet we all share an interest in preserving our shared landscapes for future generations.

Devon has partnered with the Wyoming Conservation Corps (WCC) since 2007 to involve youth in conservation around the state. Each year, WCC students complete a 10-day project of habitat restoration and related land-stewardship activities. Devon employees join the students for a day to share insights about the oil and gas industry and host a visit to active operations. In 2019, we celebrated our 12th year of partnership. Our WCC projects create lasting benefits for public lands in Wyoming, while informing the students about energy production, environmental stewardship and land management.

In western Texas and southeast New Mexico, Devon served as an industry leader in conserving Dunes Sagebrush Lizard habitat. Our work with the BLM and the U.S. Fish and Wildlife Service produced public-private conservation agreements requiring companies to avoid certain areas and reclaim lizard habitat that may have been affected by oilfield activities in the past.

To earn and maintain the trust of our stakeholders, Devon will continue to collaborate with partners to preserve the landscape and protect wildlife habitat in areas surrounding our operations.
Seismicity

Along with state agencies, academic researchers and other stakeholders, Devon continues to work toward solutions to seismic activity in Oklahoma.

Devon data aids research

Devon shares our neighbors’ concerns about seismicity associated with oil and natural gas activities. There is considerable research underway to study whether, and how, wastewater disposal wells and other activities relate to seismicity. Devon has long supported the scientific community in examining possible links between oil and natural gas activity and seismic events.

The company is an original member of the Stanford Center for Induced and Triggered Seismicity, which was founded in 2013 to undertake fundamental research on the physical processes responsible for certain seismic activity. Stanford has taken the lead in developing a scientific framework for assessing the risk of earthquakes. We’ve contributed data generated during our drilling and production activities to aid Stanford’s research into the stresses that exist in the earth’s crust, and we have taken part in other efforts aimed at understanding and addressing seismicity.

Using three-dimensional imaging derived through oil and natural gas exploration activities, we have contributed information to the Oklahoma Geological Survey to advance efforts by state geologists to map previously undocumented faults. Devon also has supported directives and other work by the Oklahoma Corporation Commission to address seismicity, which have corresponded with a significant reduction in seismic activity in Oklahoma.

We continue to monitor and support the ongoing research to better understand the causes of seismic activity, as well as potential mitigation steps.

OKLAHOMA EARTHQUAKE COUNT MAGNITUDE 2.7 OR HIGHER

Oklahoma Statewide Daily Earthquake Rate By Year

2019: 0.35
2018: 1.10
2017: 1.70
2016: 3.60
2015: 5.40

Sources: Oklahoma Corporation Commission, Oklahoma Geological Survey
Waste Management

Being a good neighbor and good steward of the environment requires Devon to properly manage the waste generated in our oil and gas field operations and in our offices. We encourage employees and contractors to reduce the amount of waste for disposal whenever possible through reuse, recycling and source reduction.

Everyone has an important role

Our work can generate both hazardous and non-hazardous waste from our drilling and production operations, as well as packaging, bottles and other office waste wherever our employees work. To ensure compliance with applicable regulations and our own corporate policies, Devon maintains waste management protocols in our operating areas.

All Devon employees and contractors are responsible for waste management. Our waste management protocols clearly define the roles and requirements for handling, shipping, disposal, training and minimization programs. We hold contractors responsible for managing the waste they generate and for complying with all local regulations. Safety Data Sheets (SDS) summarizing hazard information are readily available for employees and contractors who may come into contact with chemicals used or stored in the workplace.

To reinforce our commitment to compliance, our employees and contractors receive training specific to their job duties related to waste management and for chemicals used or stored in the workplace.
Spill Prevention

As good stewards of the land and good neighbors, we work to prevent spills in our operations.

Comprehensive program to stop spills before they happen

In keeping with the pollution prevention principle in our EHS Philosophy, Devon uses appropriate tools and techniques to minimize discharges of oil, produced water and other materials from our equipment and facilities. Spill prevention procedures at our facilities with storage tanks include secondary containment, “nearly full” tank alarms and offsite monitoring equipment with the ability to shut in facilities remotely.

At our produced-water recycling facilities, we have installed temporary storage reservoirs designed to minimize the risk of overflow from rain. The reservoirs are double-lined and sloped to direct any water that penetrates the first liner to a sump pump. Between the two liners is a layer of mesh material with motion-detection that alerts our operators if a liner leaks. Disposal reservoirs are lined, as well.

Our environmental management program includes a comprehensive Spill Prevention Countermeasures and Control (SPCC) protocol to ensure compliance with environmental rules and regulations. The protocol details the responsibilities, equipment, procedures and steps to prevent, control and provide adequate countermeasures to a discharge.

Part of our spill-prevention program is an annual spill-response training exercise and briefing for all personnel involved in designing, building and operating oil handling or storage equipment.

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

When a spill does occur, we remediate, investigate the cause and take corrective action to prevent recurrence. Our EHS reporting system tracks spills and near misses by total company and business unit, which enables the business units to analyze their spill performance and find ways to improve.
Tracking and reporting spills

Devon has a robust system for reporting and tracking spills. We require reporting of unintentional releases of oil, produced water, chemicals and any other material associated with our operations. Going forward, we’re using a new calculation methodology for our lost-spill rate based on the volumes of produced oil, produced water and recycled water handled in our operations; previously, our calculation methodology included only total barrels produced. We believe that measuring our spill rate based on the total amount of fluids managed in Devon operations gives us a more accurate picture of our performance and allows us to better manage our spill prevention procedures.

In 2018, we lost 0.0011% of the nearly 368 million barrels moved across Devon operations, a 5% improvement from 2017.

At Devon, we hold ourselves accountable for improving our performance by setting an annual corporate target for the lost-spill rate and including it in Devon’s annual performance bonus calculation. In 2018, we saw a year-over-year improvement in lost barrels relative to total U.S. barrels produced, although we were one barrel short of hitting our absolute lost-spill rate target. Using our new calculation methodology, both our lost-spill volumes and lost-spill rate declined in 2018 compared to 2017.

Devon will continue to invest in equipment, train our workforce and track progress to prevent spills and mitigate their impacts.

NEW CALCULATION METHODOLOGY FOR LOST-SPILL RATE:

\[
\text{Barrels Lost} \times 1,000,000 = \text{Barrels Moved}
\]

- **Barrels Lost** (Reportable to Regulatory Agency + Offsite Lost Spills)
- **Barrels Moved** (Produced Oil + Produced Water + Recycled Water)
Well Safety

Safety and environmental stewardship are our priorities throughout the life cycle of our oil and natural gas wells. We safeguard our workers and neighbors alike by planning, designing, drilling, completing and producing our wells using proven best practices, technologies, tools and materials.

Attention to well construction

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

During drilling operations, pressure tests confirm casing integrity. Acoustic measurements let us know that the cement is properly bonded to the casing and to the surrounding rock formation.

Our Well Construction (WellCon) Center is devoted to optimizing drilling and completion engineering on all Devon wells and allows our staff to monitor real-time data and make adjustments to avoid potential issues before they occur. We also regularly conduct blowout prevention drills on our drilling rigs and audit drills as part of our field-review process.

We continue to verify the well’s integrity during production operations by monitoring tubing and casing pressures and by analyzing gas and water produced by the well. We also conduct periodic pressure tests and casing inspections.
Managing fluids to minimize impacts

Determining the drilling fluids that will be used is part of the design phase before we drill a well. We prefer to use water-based fluids, but some rock formations require the use of 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 keep 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.

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% of the mixture. A full registry of wells and chemical additives, along with much more information about hydraulic fracturing, is available at fracfocus.org. Devon played a leading role in the creation of Frac Focus in 2011 and continues to be a leading contributor of information to the site.

We regularly communicate Devon’s environmental, health and safety (EHS) policies, protocols and operational expectations for well safety in safety tailgate meetings at field locations. We pride ourselves on worker safety and empowerment; all our crews have Stop Work Responsibility. Anyone may stop a job at any time if the person notices a potential hazard or is unsure about a task. This workplace culture helps keep people safe and protects the environment by reducing the risk of spills or emissions.
The Health & Safety section of our 2019 Sustainability Report includes:

- Overview
- Workforce Safety
- Employee Wellness
Health & Safety Overview

Creating a Healthy and Safe Place to Work

Keeping our workforce healthy and safe is the right thing to do for our employees, our contractors, their families and our communities. A safe workplace is critical to our ability to deliver results and is also the starting point for the atmosphere of trust, optimism, teamwork and innovation we encourage at Devon.

We promote a healthy workplace culture by offering employees a variety of wellness programs and amenities to address their physical, mental and financial well-being. We're proud of the positive impact these programs have had on our workplace health culture and our employees and their families.

Laura Wright
Manager, EHS

Laura leads a multi-disciplinary team whose job is to ensure that Devon’s top priority – the safety of our employees, contractors and the public – is never compromised. “No task is so urgent that we can’t take the steps necessary to perform the work safely. No matter the logo on a person’s hard hat or their role in our operations, we genuinely respect everyone’s reason for working safely. I’m proud to be on a team committed to building and maintaining a safe and healthy culture for everyone in our industry.”

RESOURCES

The following resources and processes are available to ensure employees and contractors understand Devon’s safety programs:

🔗 EHS Philosophy
Describes the expectations and principles that guide the decisions affecting our operations.

🔗 EHS audits
Conducted regularly in each operating area by auditors to find, mitigate and reduce safety risk and improve performance.

🔗 Field EHS orientation
Covers work practices for all contractors and employees who work in or visit field locations.

🔗 Additional safety orientation
For oil haulers and workers involved in seismic operations and transportation operations.

🔗 Safety orientation video
Devon President and CEO Dave Hager introduces safety expectations and requirements.
Resources for health and safety performance

We provide comprehensive training orientation to prepare our employees and contractors to work safely. Our Environmental, Social and Governance (ESG) Steering Committee assists Devon senior leaders in monitoring safety issues and performance and in addressing stakeholder concerns. In addition, to set our environmental, health and safety (EHS) strategy, ensure implementation of that strategy, and continuously review safety performance, we formed the EHS Council in 2018.

We expect employees and contractors to comply with safety rules and regulations and actively participate in efforts to improve safety. Our workforce is accountable for stopping at-risk work, immediately reporting incidents and near-miss events, and informing visitors of emergency alarms and evacuation plans.

Pipeline safety

Pipelines are essential for Devon to deliver oil and natural gas to the marketplace. We test and maintain our pipelines using cleaning devices, diagnostic tools and corrosion-control procedures to ensure they’re in excellent condition. For more information on Devon’s pipeline maintenance program, please email us at pipeline.safety@dvn.com.

Devon wants people to be aware of our pipelines and where they are located. We ask for help in preventing accidental damage to pipelines and encourage immediate reporting of any suspicious persons or activities near a pipeline by dialing 911 to notify local law enforcement authorities.

Devon Energy Corporation subsidiaries that operate pipelines include:

Devon Energy Production Company, L.P.
Devon Gas Services, L.P.
Southwestern Gas Pipeline, L.L.C.

### HEALTH & SAFETY METRICS

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<td>Contractor Hours (million)</td>
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The increase in TRIR in 2017 was due primarily to increased industry activity and the associated influx of workers new to our industry.

RESOURCES (continued)

- **Contractor safety requirements**
  Contractors are provided Devon’s EHS protocols and practices and are expected to meet or exceed them.

- **Safety communication**
  Includes regularly scheduled safety meetings in all field locations, pre-task tailgates at field job sites and town hall discussions.

- **Safety Data Sheets**
  Provides critical information on chemicals and toxic materials stored and handled at Devon work sites.

Before you dig or do any type of excavation or construction work, call your state underground utilities locating service or One Call Center. Below is a list of One Call Centers in areas where Devon has pipelines.

- **New Mexico** .... 1-800-321-2537
- **Oklahoma** ........ 1-800-522-6543
- **Texas** ............ 1-800-344-8377
- **Wyoming** ........... 1-800-849-2476

In the case of a pipeline emergency, immediately seek a safe location and call 911.
Workforce Safety

At Devon, we encourage everyone to take the time and steps necessary to perform work safely. Our top priority is to maintain the health and safety of our employees, our contractors and the public.

Working safely is the right thing to do

We want everyone who works for Devon to go home safely to their loved ones after work each day. In the field, we share our expectations and care by telling everyone who works for us, “When you cross the cattle guard, you're on our team.”

We believe exemplary safety performance is essential to fulfilling our business goals and stakeholder expectations. Leaders, employees and contractors alike are expected to actively participate in continuous improvement and make Devon a safe place to work. Our Environmental, Health and Safety (EHS) Philosophy outlines 10 guiding principles such as compliance and job competency that we integrate into decisions affecting our operations. Employees and contractors are accountable for fully implementing the EHS Philosophy, and we encourage all stakeholders to express any concerns about health or safety. Everyone who works for Devon is expected to comply with all applicable safety laws, regulations, policies and protocols and to apply sound judgment at all times.

Building a strong safety culture

Our safety governance structure provides senior-level oversight for policies and performance, while empowering our workforce to take the time necessary to perform work safely and stop work if they see a safety risk. Devon’s senior vice president of exploration and production is accountable for Devon’s safety performance, and our EHS Council closely monitors safety performance and reports on progress to the executive committee as needed.

Our EHS Council sets safety strategy and ensures implementation to continuously improve our safety systems. Council members include managers and professionals from our EHS, operations and business unit teams. Utilizing performance and process improvement ideas from people at all levels of the company, the council is developing a multi-year roadmap with 14 elements needed to build a strong EHS/ESG culture. The council streamlined or eliminated numerous processes to give Devon leaders more time to spend in the field and sharpened the business focus to identify and implement safety controls. In addition, the council directed our shift in emphasis from lagging indicators like the total recordable incident rate (TRIR) to prevention-oriented leading indicators. In 2019, our corporate safety goals are focused on effectively sharing learnings from significant incidents or fatalities (SIF) and completing incident investigations more efficiently.
We give our employees the training and tools they need to perform safely and effectively.

Instilling our safety culture from Day 1

Starting on each employee’s first day on the job, and continuing throughout their careers, employees are continually reminded about Devon’s safety culture. During new-hire orientation, employees learn the action-oriented behaviors for workplace safety they’ll be expected to demonstrate: visible commitment, accountability, anticipation, participation, recognition and communication. We incorporate these attributes into the employee appraisal process.

One of our guiding principles is to give employees training and tools to ensure they can implement our EHS Philosophy and perform their jobs effectively. Devon employees complete a survey each year that determines what safety training they require, based on their job tasks, with an emphasis on the quality of training rather than the quantity. We offer safety-related training online for office employees and onsite for field employees. All employees must complete a field safety briefing or orientation if they work in or visit field locations. Our training emphasizes our requirement to immediately report any incident or near-miss event and to be accountable for our own and others’ safety.

Appealing to ‘Hearts and Minds’

In 2018, we expanded our leadership-focused Hearts and Minds workshop that drives home why safety is important to Devon. The workshop covers topics such as safety culture, stop work for safety, communication, continuous improvement, integrity and situational awareness. While it was originally offered to a small subset of contract field leaders in our drilling group, in 2018 more than 300 Devon leaders in all fields, as well as contract drilling and completion crews and construction contractors, also participated in Hearts and Minds. In 2019, we have two full-time trainers dedicated to the workshop, and we’re offering it to all personnel at the level of assistant foreman and above.

Hearts and Minds training helps keep our people safe in the field.
Setting high standards for contractor safety

Our contract partners perform about 80% of our work in the field, so they’re vital to our operations. Devon’s policy is to work only with approved contractors and vendors who complete our supplier qualification process and meet our extensive policy, insurance and EHS requirements. Contractors are responsible for having EHS programs that meet or exceed all federal, state and local laws, rules and regulations, as well as Devon’s standards and protocols.

Our expectation that contractors do high-quality work with personnel who are trained to work safely is spelled out in our EHS Philosophy and in our contractor safety orientation. We continually seek to raise the level of contractor safety performance through training and engagement, and make every effort to work with contractors who have the most robust safety programs and track records. In 2018, 88% of our operational spending was with contractors who earned our highest safety ratings.

To work with Devon, contract workers must complete SafeLand or RigPass training, both highly regarded industry safety programs, and a separate Devon orientation available through our online contractor portal. The field orientation describes our critical safety rules for handling chemicals, housekeeping, waste management, communications and other activities while working on Devon locations. Oil haulers and all other contractors who work in transportation or in seismic operations must complete additional safety briefings.

To provide contractors information to help them work safely, our safety requirements, expectations, protocols, Safety Data Sheets (SDS), forms and tools are readily accessible on our company website.

During safety orientation and on our work sites, an important facet is a clear understanding of our Stop Work Responsibility. Our contractors and employees have a responsibility to stop the job and call for a safety meeting if they see an unsafe situation. For example, one of our lease operators stopped work and sent a water hauler home during a lightning storm, sending a clear message that worker safety is more important to our operations than a few hours of production.

Devon employees have stopped work to ensure proper use of fall-protection equipment. Vigilance stems from industry trends: Fall fatalities across the industry increased in 2018, although overall work-related fatalities decreased. Our teams recognize and reward workers who exercise Stop Work Responsibility and encourage them to share safety stories.

From scheduled field safety meetings to supervisor ride-alongs, continuously improving our safety culture is a way of life at Devon. Before they perform work, crews complete a pre-task tailgate meeting to raise awareness of the potential risks and exposures, required personal protective equipment and other aspects of the job. Examples of controls these meetings emphasize are clear buffer zones around high-pressure equipment and watching out for dropped objects. We believe this emphasis contributed to our reduction in SIF incidents and reported near-misses in 2018.

Devon encourages leadership engagements in the field because they can have a positive impact on our workforce, safety performance and operational excellence. Hard hat stickers that say “Ask me my reason for working safely” help our leaders start conversations with personnel in the field. The reasons people give for working safely typically revolve around family and friends – a higher motivation than simply following procedures. As people leave our field offices on the way to do their jobs, they often see family photos posted on bulletin boards that remind them why they want to work safely.
Driving continuous improvement

To identify and reduce risk, employee-led teams perform audits of our operations. Business units are responsible for developing and implementing corrective actions to address audit findings. Audits and corrective-action plans are recorded and tracked in the Devon Incident Management System and often lead to operational changes to continuously improve safety performance.

Positive trends in safety performance

Each year, Devon sets corporate goals to drive improvements in safety performance. We saw positive trends from 2017 to 2018, even though we missed some of our targets. Our total recordable incident rate (TRIR) improved 10% year over year and our SIF recordable rate improved 33%, with 30 million hours worked. Employees drove 19 million miles with only one vehicle SIF incident in 2018; this coincides with our policy barring use of electronic devices while driving on company business and implementing the use of in-vehicle devices to monitor driving behaviors. We believe our Hearts and Minds leadership training, field leadership engagements, onboarding workshop, and effective investigations and corrective actions all contributed to better performance.

During the past year, crews on two rigs celebrated four years each with no recordable injuries—a record they attribute to strong safety culture and rig onboarding workshops that emphasized doing the right things the right way. In more than four years of work, these crews have logged 521,629 man-hours with 195 employees safely completing 101 wells without a recordable incident.

Devon believes if we make our workforce aware of workplace risks, hazards and preventive measures, we can prevent life-altering and life-threatening injuries and illnesses and make significant progress in safety and health.
Employee Wellness

Building value for Devon’s many stakeholders and making a positive impact in our communities depends on employees who are healthy and happy and who come to work every day with a positive outlook.

Addressing employees’ physical, mental and financial well-being

At Devon, we invest in the well-being of our employees. We recognize the strong connection between healthy employees and our ability to achieve our corporate goals. As a result of this commitment, we experience strong productivity and engagement, low absenteeism, high retention rates and lower health care costs. Our generous health care benefits and comprehensive wellness programs help employees improve their physical, mental and financial well-being.

Employees and their spouses have access to our online wellness portal to track health and wellness goals. They can earn points for activities such as getting a physical exam, participating in a stress assessment and management program or completing a financial fitness assessment. This provides employees a deeper understanding of personal risk factors and ways to proactively manage their well-being. Employees who accumulate 1,000 points in a year receive up to $2,500 in contributions to their health savings account. In 2018, employee engagement in our wellness programs was strong; 92% were registered on the online portal (the highest of all of our third-party provider’s clients), 68% completed their well-being assessment and 78% earned at least 1,000 points.

The Well, Devon’s onsite fitness center, is a welcoming place for employees to get some physical exercise.
Preventing health problems

We encourage our employees to make lifestyle choices that prevent health problems. At our wellness centers in Oklahoma City and some field offices, Devon employees can exercise, attend workshops and learn from experts about fitness, nutrition, smoking cessation and other health-related topics.

Annual physical exams are an important way to identify and prevent health problems. From July 2017 through December 2018, 57% of Devon’s U.S. employees received an annual physical exam. More than 800 physicals were completed at the medical clinic we established for employees and their families near our corporate headquarters in Oklahoma City. Known as The Doc, the clinic operated by the University of Oklahoma Physicians Group maintains short wait times, a high level of personal attention for each patient and an overall excellent standard of care.

Preventive cancer screenings are an important health focus at Devon, with employee participation exceeding national benchmarks by up to 20% in some categories.

Mastering personal finance issues

Financial pressures can lead to stress and affect people’s sense of well-being. Devon offers a financial-wellness program to help employees save for retirement, and manage debt and other personal finance issues. As part of this program, employees can take a third-party financial assessment and participate in one-on-one consultations with experts and onsite and web-based workshops. In 2018, 52% of our employees took advantage of the financial-wellness program, and 45% of eligible employees completed their financial-fitness assessment. Our employees’ average financial wellness and retirement readiness scores increased from 69% in 2017 to 75% in 2018, well above the 2018 national average score of 58%.

Devon is proud to give our employees and their families opportunities to take care of their health and improve their well-being.
The Governance section of our 2019 Sustainability Report includes:

- Overview - UPDATED
- Corporate Governance - UPDATED
- Shareholder Engagement - UPDATED
- Ethics and Integrity
- Public Advocacy - UPDATED
- Emergency Preparedness
- Risk Management
- Cybersecurity
Devon is accountable to our stakeholders for our environmental, social, governance (ESG) and business performance. Guided by our core values and commitment to integrity, we seek to operate in a financially, environmentally and socially responsible way. Our corporate governance principles and practices direct how we make decisions, manage risk and build relationships.

**RESOURCES**

The following resources drive our efforts to be responsible stewards of our financial and operational assets, the environment, workforce and community safety, and stakeholder trust:

- **Corporate Governance Guidelines**
  Define how our board of directors monitors the effectiveness of Devon policies and decision-making, while enhancing stockholder value and considering the long-term interests of other stakeholders.

- **Code of Business Conduct and Ethics**
  Sets out the basic principles of conduct for all Devon directors, officers and employees.

- **Ethics and Compliance Helpline**
  Available at all times to confidentially report potential violations of the aforementioned code, ask an ethics-related question, get guidance on our ethics policy and follow up on a reported issue.

- **Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer**
  Supplement to the Code of Business Conduct and Ethics reinforcing our expectation of ethical and legal behavior from our top executives.

- **Anti-Corruption Policy**
  Explains the specific requirements and prohibitions of applicable laws, especially the U.S. Foreign Corrupt Practices Act (FCPA).

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**Upholding our culture of integrity and accountability**

Devon is accountable to our stakeholders for our environmental, social, governance (ESG) and business performance. Guided by our core values and commitment to integrity, we seek to operate in a financially, environmentally and socially responsible way. Our corporate governance principles and practices direct how we make decisions, manage risk and build relationships.

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**Matt Harper**
Director, Information Security/CISO

One critical issue for oil and gas companies is collecting, managing and interpreting enormous amounts of data from operations. Protecting that data is vitally important, too. Enter Matt, a cybersecurity expert and former FBI special agent. “The challenges of keeping data secure and available continue to evolve. My job allows me to help people understand and manage the risks associated with data and technology and get the most from those investments.”
We’re focused on innovation and operational excellence in our business, a high quality of life in our communities, and leadership in ESG performance and transparency. Devon’s ESG Steering Committee ensures that our senior leaders are focused, informed and engaged on ESG matters that influence our business planning, strategy and operations.

Our investors, employees, neighbors and others who have an interest in our progress count on Devon to fulfill our obligations. It’s a challenge we’re proud to take on.

ESG Steering Committee Charter

<table>
<thead>
<tr>
<th>GOVERNANCE METRICS</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Board Members</td>
<td>78%</td>
<td>78%</td>
<td>80%</td>
</tr>
<tr>
<td>In June 2019, our board composition changed. Currently, 9 of our 11 board members (82%) qualify as independent under NYSE standards and SEC regulations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women Board Members</td>
<td>22%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>In June 2019, our board composition changed. Three women (27%), including the chairs of Devon’s Audit and Governance committees, currently serve on our board of directors.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Contributions (thousands)</td>
<td>–</td>
<td>$1,062</td>
<td>$494</td>
</tr>
<tr>
<td>Devon's lobbying and political activity has traditionally been disclosed via public agencies. In 2018, we began publishing a Political Activity and Lobbying Report on our website.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lobbying - Federal &amp; State (thousands)</td>
<td>–</td>
<td>$1,542</td>
<td>$905</td>
</tr>
<tr>
<td>Devon’s lobbying and political activity has traditionally been disclosed via public agencies. In 2018, we began publishing a Political Activity and Lobbying Report on our website.</td>
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</tbody>
</table>

RESOURCES (continued)

- Certificate of Incorporation
- Bylaws
- Privacy Policy
- Investor communications
  Updated regularly to provide information on Devon’s progress to investors, analysts and other stakeholders.
- Operations updates
  Inform investors, analysts and other stakeholders about our exploration and production activities.
- Annual proxy statements
  Describe matters of interest to our shareholders, including director and executive compensation and shareholder proposals.
- Annual Political Activity and Lobbying Report
  Discloses Devon’s expenditures for corporate political and 527 contributions and federal and state lobbying.
- Devon Energy Corporation Political Action Committee (DECPAC) Annual Report
  Discloses PAC disbursements to candidates for state and federal office and to political parties.
- Emergency Preparedness Protocol
  Defines the roles, processes and activities we have in place to respond effectively and timely to natural disasters, operational disruptions, security incidents and other events.
Corporate Governance

Strong corporate governance and accountability support Devon’s efforts to live out our core values, which include doing the right thing and delivering results.

Composing and compensating our board for effective oversight

Devon’s board of directors follows our Corporate Governance Guidelines, the framework for effective oversight to serve our stakeholders’ interests and create shareholder value.

As required by the Corporate Governance Guidelines, a majority of our board members qualify as independent, based on New York Stock Exchange (NYSE) listing standards and Securities and Exchange Commission (SEC) regulations. Devon meets these requirements, with 9 of 11 board members, all committee members and our board chair qualifying as independent.

The charters of the board’s four committees – Audit, Compensation, Governance and Reserves – require all committee members to be independent. Following are brief descriptions of the purpose and responsibilities of each committee, along with links to their charters.
Our board is committed to maintaining a diverse and inclusive membership with varying experience, characteristics and expertise that align with our business strategy. As of June 2020, three women served on Devon’s board, and ten of 11 directors had at least five of the six key skills and experience we believe are highly relevant to an upstream company like Devon. Our directors ranged in age from 43 to 71, all under the mandatory retirement age of 73. When searching for new director nominees, the Governance Committee and the third-party search firm it engages are committed to considering qualified candidates with a diversity of experience, perspective, age, gender, race, ethnicity, geography and other factors.

Under our Corporate Governance Guidelines, the compensation of our non-management directors is determined annually by the board acting on the Governance Committee’s recommendation. To align directors’ interests and actions with the interests of our shareholders, directors are expected to maintain a significant ownership stake in Devon stock. While Devon executives receive no additional compensation for serving on our board, non-management directors are compensated based on current market norms and receive a combination of retainers, meeting fees and equity awards. With the exception of adding a separate retainer for our board chair, there have been no changes to board compensation in the last few years.

Shareholders elect Devon directors at the annual meeting for a one-year term. Our bylaws require that a director offer to resign if he or she does not receive the required plurality of votes in an uncontested election, but this has not occurred in Devon’s history. In fact, our directors received an average approval rating of 96% at our 2020 annual meeting.

### CHARTERS

- **Audit Committee Charter**
  The Audit Committee assists the board in ensuring the integrity of Devon’s financial statements and reporting system, the compliance with legal and regulatory requirements, and the performance of internal and external audit functions.

- **Compensation Committee Charter**
  The Compensation Committee assists the board in determining the compensation for Devon’s senior executives and provides oversight of the company’s employee benefit programs.

- **Governance Committee Charter**
  The Governance Committee assists the board in identifying qualified individuals for board membership and oversees the company’s corporate governance practices.

- **Reserves Committee Charter**
  The Reserves Committee assists the board with oversight of the annual review and evaluation of Devon’s consolidated petroleum and natural gas reserves, reporting system, compliance, regulatory requirements and related disclosures.
CORPORATE GOVERNANCE

Director skills and experience

The matrix below provides a summary of certain key skills and experience of our directors. Individually and as a group, they possess numerous skills and experience that are highly relevant for an upstream energy company. Our directors are strategic thinkers with high expectations for Devon’s performance; they are attuned to the demands of proper Board oversight and good governance practices.

<table>
<thead>
<tr>
<th>AGE</th>
<th>Our directors range in age from 43 to 71</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEY SKILLS AND EXPERIENCE</td>
<td>Aggregate</td>
</tr>
<tr>
<td>Public Board of Directors Experience</td>
<td>11</td>
</tr>
<tr>
<td>Energy Industry Experience</td>
<td>10</td>
</tr>
<tr>
<td>CEO/Business Leader</td>
<td>9</td>
</tr>
<tr>
<td>Human Capital Mgmt./Comp.</td>
<td>11</td>
</tr>
<tr>
<td>Finance/Capital Allocation</td>
<td>10</td>
</tr>
<tr>
<td>Financial Literacy/Accounting</td>
<td>11</td>
</tr>
</tbody>
</table>

Additional skills and experience

- Six of our directors have an educational background or work experience in petroleum engineering or other engineering professions.
- Five of our directors have experience with technology or cybersecurity.
- Eight of our directors have experience in regulatory and policy matters.
- Three of our directors have an educational background or work experience with environmental matters.
- All of our directors have experience in corporate governance and risk management.

TENURE

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

As of June 2020.

DIVERSITY

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

As of June 2020.

INDEPENDENCE

Nine of Devon’s 11 directors qualify as independent under NYSE standards and SEC regulations.

As of June 2020.
Aligning executive compensation with company performance

Devon’s senior leaders are accountable for generating operating returns by managing a premier asset portfolio, delivering superior execution and allocating capital with discipline. The leadership team updates the board regularly on the economic and operational risks and opportunities facing Devon, with increasing emphasis on ESG performance.

We seek a strong tie between company performance and executive pay through our compensation program and the Compensation Committee’s processes and decision-making. Our executive compensation philosophy recognizes near-term operational and financial success and encourages decision-making that supports long-term value creation. The objectives of our executive compensation program are to motivate and reward executives for increasing stockholder value; to allocate incentives to achieve near- and long-term objectives, without taking excessive risk; and to attract and retain highly trained, experienced and committed executives. Approximately 90% of the value of total direct compensation awarded to our president and CEO, and an average of approximately 84% for other executive officers, was delivered through performance bonuses dependent on 2019 performance and long-term incentives aligned with total shareholder return.

To drive continuous improvement, Devon sets challenging performance goals each year. We are committed to delivering strong returns on our investments through a highly engaged culture focused on innovation, safety, operational excellence, environmental stewardship and social responsibility. Our performance score was 150% of the target for 2019, reflecting strong performance with the implementation of the company’s strategy to monetize various assets, reduce long-term debt and re-align its overall cost structure in a challenging commodity-price environment. Detailed information about Devon’s executive compensation philosophy, practices and decisions is available in our 2020 proxy statement.

Devon contacted the majority of our 50 largest stockholders in 2019 and had productive interactions to ensure we’re aware of and responsive to the issues of importance to them. All of these engagements were meetings with Devon personnel who are directly involved with our ESG efforts.

How to contact Devon’s non-management directors

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

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

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

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

Devon communicates directly with shareholders to understand their interests and needs and to convey our business strategy and plans.

We believe having the confidence of our shareholders is important to our success. We therefore engage shareholders proactively through outreach as well as responsively to address their issues. Devon senior leaders meet periodically with shareholders and report to our board of directors about the key themes and interactions. In recent years, shareholder engagements led Devon to report our ESG performance more completely and transparently. We have strengthened corporate governance and adjusted executive compensation incentives.

We recognize that ESG matters are increasingly important for Devon and our stakeholders. Our ESG Steering Committee, which is composed of senior-level leaders from throughout the company, provides leadership and direction as we seek to deliver on our commitments to our various stakeholder groups. One of the committee’s primary activities in 2018 was preparing Devon’s Climate Change Assessment Report to better assess and communicate the potential long-term impacts of a possible carbon-constrained future. Under the committee’s direction, Devon also published our 2019 Political Activity and Lobbying Report with enhanced disclosures and our 2018 Sustainability Report. Our management and board share our stakeholders’ high expectations for performance in ESG areas and receive regular updates on the committee’s findings and activities.

In 2018, Devon participated in numerous ESG-focused surveys and assessments, including those from Sustainalytics, Just Capital, CDP and Institutional Shareholder Services’ (ISS). In addition to making it easier for stakeholders to benchmark our progress, these assessments help us sharpen our focus on transparency and improve our ESG performance. Our third-party survey rankings indicate we’re outperforming most of our peers in the ESG arena. Sustainalytics ranked Devon’s ESG performance in the top 15% in our peer group and ISS ranked our combined ESG score above all but one of our peers.

JUST Capital’s newest rankings have Devon third overall and first in environmental performance among 32 oil and gas companies, and the CPA Zicklin Index of corporate political disclosure and accountability ranks Devon in the second of five tiers. Devon has also been named to the Dow Jones Sustainability Indices, in collaboration with RobecoSAM.

Devon received proposals for shareholder consideration and voting at the 2019 annual meeting. Following dialogue with the proponents, two of the proposals were withdrawn because of our existing activities or a shift in approach helped satisfy the proponent’s request. No shareholder proposals appeared in the proxy for our 2019 annual meeting.

Devon’s ESG Committee guides engagements and activities that will deliver on our commitments to various stakeholder groups.

With guidance from our ESG Steering Committee, we’re continuing our engagements to ensure we deliver on our commitments to stakeholders.
In all of our business practices and relationships, Devon is committed to high ethical, moral, professional and legal standards. Our Code of Business Conduct and Ethics guides each Devon director, officer and employee in meeting our standards and fulfilling our responsibilities to our shareholders, governmental and regulatory authorities, business partners and each other. In addition, Devon’s president and chief executive officer (CEO), chief financial officer and chief accounting officer must meet further requirements for the highest level of ethical and legal behavior as described in a separate Code of Ethics.

We also require directors, officers and employees to comply with related policies, including our Zero Tolerance Anti-Harassment Policy, Anti-Corruption Policy, and Employee Gifts and Entertainment Declaration Policy and Procedure. These policies and our code of conduct are reviewed and updated annually to ensure ongoing compliance with laws and regulations and to reflect current business practices. No substantive changes were made to our code or related policies in 2018.

To ensure high awareness of our commitment to ethics and integrity, all Devon employees must successfully complete a training course on ethics when they join the company and annually thereafter. We also require employees to acknowledge and agree to abide by the Code of Business Conduct and Ethics annually.
Devon employees are obligated to help enforce the code by reporting potential violations via one of several confidential channels, including our Ethics & Compliance Helpline. Anyone can access the Helpline at any time to report harassment, inappropriate behavior, fraud, unsafe acts, accounting irregularities or any other potential code or policy violation. In 2018, 85% of reports were made through this online portal. The Helpline can also be used to request guidance on Devon’s ethics policy, follow up on a reported issue or to ask an ethics-related question.

Reports to the Helpline can be made anonymously and confidentially. Approximately 65% of Helpline users request anonymity, and all reports are treated as confidential to the fullest extent possible. Devon investigates reports promptly, with 100% of cases initiated in 2018 closed by year-end at an average of 19 days from the opening of an investigation to its close. In 2018, 71% of reports were unsubstantiated or simple inquiries. We have not experienced a pattern of specific types of allegations or issues related to specific locations. We do not tolerate retaliation against anyone who makes a good-faith report of an actual or suspected violation of our code, policies or applicable law. We provide the board of directors with periodic reports on Helpline activity to assist in the board’s role of monitoring our ethical standards and practices.

Preventing fraud

Devon takes a proactive approach to prevent improper supplier activity, invoicing abuse, digital scams and other forms of fraud. To identify fraudulent activity and emerging threats, we have a steering committee that monitors industry trends and raises awareness with our employees so they can recognize and report any fraudulent activities. Based on the committee’s work, we enhanced information about fraud in our Code of Business Conduct and Ethics and added training on fraud identification for employees who work in the field, in accounting and in other specified functions. Devon employs a fraud investigator with forensic accounting experience to actively look for issues, enabling us to take quick action to prevent financial loss and mitigate risk. We believe that simply having a dedicated investigator tends to deter some fraudulent activity.
Public Advocacy

Public policy can impact Devon’s sustainability, and we have a responsibility to advocate for laws and rules that balance stakeholder interests. We participate in discussions about taxation, regulation, trade, jobs and business-focused issues.

Our economy runs on energy and depends on countless products made from plastics, fabrics and compounds derived from oil and natural gas. As a leading U.S. independent oil and natural gas producer, Devon is keenly aware of our important role in local, state, national and world economies.

We have found that advocacy is important to our ability to operate in a safe, ethical, and environmentally and socially responsible manner. We actively advocate on matters of public interest and are committed to doing so in compliance with all applicable laws, regulations and rules. Devon makes all required financial disclosures and publishes a comprehensive annual Political Activity and Lobbying Report. The report includes expenditures for corporate political contributions, 527 contributions, federal and state lobbying, and the Devon Energy Corporation Political Action Committee (DECPAC). As a direct result of stakeholder engagement, our 2019 report includes more detailed disclosures on our trade association memberships. In 2019, as we seek to reduce our costs across the company, we are reducing our political contributions and lobbying expenditures.

Important decisions about energy and the economy require accurate information and thoughtful deliberation at all levels of government. Devon informs and engages policymakers, the public and our employees as we advocate for principles and positions in regulatory and legislative proceedings. To make our views known on proposed rules and laws, Devon participates in business coalitions, industry associations, trade groups and advocacy organizations. We share information with our employees to help them discuss industry issues with their friends and neighbors, and encourage them to vote.

Devon employees are active in a number of industry associations including the Petroleum Alliance of Oklahoma, New Mexico Oil and Gas Association (NMOGA) and the American Petroleum Institute (API). For example, an employee on our health and safety team is participating on API’s Occupational Safety and Health Committee, which is looking into developing a voluntary onshore safety program to elevate overall safety performance in the onshore exploration and production industry. We’re proud to have a Devon representative sharing our values and learning industry best practices on this important API committee.
Regional, state and local advocacy

Devon is active in public policy development at the national level and in states, counties and municipalities where we have operations. As a major operator in New Mexico’s Delaware Basin, in 2018 we engaged with state regulators and lawmakers on permitting, transportation and other issues along with industry peers in NMOGA. Devon also stepped up to be a founding member of the Permian Strategic Partnership, an alliance of oil and gas companies that has committed significant funding toward ensuring community, regional and business sustainability in the Permian Basin.

In Oklahoma, Devon remains active on the Governor’s Coordinating Council on Seismic Activity and was part of Step Up Oklahoma, a nonpartisan business coalition that successfully advocated for state government and budget reforms and increased funding for education.

In 2018, Project 180 improvements were completed in public spaces in downtown Oklahoma City, paid for through tax-increment financing generated by construction of Devon’s corporate headquarters. We’ve also actively supported MAPS, Oklahoma City’s visionary capital improvement and revitalization program that has led to transformational Metropolitan Area Projects completed over the past 25 years.
Our emergency preparedness program is designed to manage various situations that could affect our employees, communities, assets, business and the environment.

**Readiness across the company**

Devon’s emergency response and recovery efforts are led by a corporate emergency management function that reports to Devon’s security department. We follow the Federal Emergency Management Agency’s (FEMA) National Incident Management System (NIMS), a nationwide approach to enable the whole community to work together to manage threats and hazards. To ensure timely, effective response to emergencies, we provided in-house training on the NIMS Incident Command System (ICS) to approximately 550 employees throughout Devon in 2018. In addition, the head of our emergency management team is a certified ICS instructor. We also have more than 200 floor wardens in buildings and facilities across the company who are trained to lead occupants to safety and provide medical assistance during an emergency.

We conduct at least one functional, corporate-level training exercise and one full-scale exercise in a major field location each year with community responders and simulated business interruptions. Every other year, we rotate exercises in data security and aviation incidents. Devon’s Environmental, Health and Safety (EHS) group conducts site drills and those mandated by the Occupational Safety and Health Administration (OSHA).

In 2018, our full-scale exercises in Cuero, Texas, and Artesia, New Mexico, engaged community partners from fire, law enforcement, emergency management and emergency medical services. These exercises simulated office building fires that resulted in search and rescue operations, onsite triage and treatment.
and simulated transportation to local hospitals. In both locations, it was the first time Devon exercised in this capacity with community responders.

We also conducted a functional exercise in our Incident Command Center that tested our Aviation Incident Management Team. This exercise of our Aviation Emergency Response Plan engaged community partners from Oklahoma County and Will Rogers Airport Emergency Management in Oklahoma City.

To enhance the benefit for our community partners who exercise with us, we follow the U.S. Department of Homeland Security Exercise and Evaluation Program. This allows us to provide community partners with documentation that validates their participation for federal funding and medical facility accreditation requirements.

Devon advocates for strong emergency management capabilities at the federal level. The head of our emergency management team serves as the assistant chair for the Oil and Natural Gas Subsector Coordinating Council and will rotate to the chair position in 2020. This group coordinates closely with the U.S. Departments of Energy and Homeland Security to ensure that coordination for physical and cybersecurity preparedness remains at the forefront among oil and gas industry and government partners.

Continuous improvement

After every exercise and real response, we hold briefings and write reports outlining areas for improvement, best practices and strengths. We incorporate corrective actions into Devon’s EHS incident tracking system, assign accountability and track the actions to completion. If emergencies and incidents occur, our continuous improvement efforts and our training allow us to protect our workforce, our neighbors and our assets. In turn, we’re protecting our business and our reputation.
Devon methodically manages the risks to our business to ensure we can deliver results.

Devon’s board of directors has primary responsibility for risk oversight, which includes determining whether the company’s risk-management programs are appropriately designed and implemented to address our material risks. The four standing board committees consider the risks inherent in their areas of oversight and report regularly to the full board. Our Devon management team is, in turn, responsible for executing the risk-management directives of the board and its committees, including overseeing and reporting on Devon’s day-to-day efforts to manage risk.

To identify and evaluate our business risks, Devon employs a variety of governance and analytical measures. Our enterprise risk-management (ERM) process, overseen by our internal audit function, includes an annual analysis of the top risks to the company. This analysis asks the board, management and internal subject-matter experts to consider the likelihood that certain risks could result in an economic or non-economic impact to the company and to identify our level of preparedness for those risks. Using the results of this analysis, the board and management determine and prioritize the material risks to our business. We also undertake exercises to identify risks and conduct workshops with Devon employees on risk-mitigation strategies. Designated employees within each business function are accountable for managing specific risks. For a more detailed discussion of the material risks of the company, please see our Annual Report on Form 10-K for the year ended Dec. 31, 2018.

Through our ongoing risk-management efforts, Devon has been able to adopt strategies and measures to address emerging risks. For example, in recognition of the increasing relevance of and stakeholder interest in climate-change risks, in 2018 we began formally considering the quantifiable effects of climate change on Devon’s portfolio. Our annual long-range planning and risk evaluation uses a scenario analysis of technology and market conditions that incorporates pricing conditions that are at least as challenging as the IEA (International Energy Agency) Sustainable Development Scenario and runs through at least 2040. For more information, please see our Climate Change Assessment Report.

Cybersecurity risk is another area of increasing focus for our board, particularly as more of our operations rely on digital technologies. To mitigate this risk, Devon has adopted an information security program that uses sophisticated technology and processes and is aligned with the National Institute of Standards and Technology Cybersecurity Framework for risk management. Our management team provides the Audit Committee and the full board with regular updates on this program, as well as on trends in cyberattack activities and other developments impacting our digital security.
Cybersecurity

Protecting the data, information and systems that underpin our technology advantage enables Devon to live our core value to deliver results.

With Devon’s increasing reliance on information technology in our operations, cybersecurity is a growing area of focus and our board of directors is directly engaged. The Audit Committee of the board, which oversees the company’s enterprise risk-management program, considers information and cybersecurity risks in the course of its regular reviews. The Audit Committee chairman has completed the NACD Cyber-Risk Oversight Program and earned Carnegie Mellon’s CERT Certificate in Cybersecurity.

Our corporate information security policy guides our work, including implementation of an industry-leading program aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework for risk management, which is assessed by third-party experts. We exercise and test our incident response and disaster recovery plans as part of Devon’s corporate-level emergency preparedness program.

Our information systems, risk and security are managed by a team of highly trained information security professionals. The team develops, uses and shares cyberthreat intelligence as a proactive measure, augmenting human intelligence with appropriate levels and layers of automation.

To protect our data and systems, we encourage a culture of prevention through cybersecurity awareness training for all employees and contractors, specific training for teams that have access to sensitive data, and recognition of employees who help us avoid potential cybersecurity events. In addition, we enforce responsible use of information systems as described in our Code of Business Conduct and Ethics, the Information System General Usage Policy and other related policies.
The Social section of our 2019 Sustainability Report includes:

- Overview
- Community Engagement
- STEM
- Volunteerism
- Philanthropy
- Human Rights
As we seek to operate in a socially responsible way, part of that is supporting and strengthening safe and educated communities in areas where we operate. Our social investments target STEM (science, technology, engineering and math) education, public safety, social services and community vibrancy. Through volunteerism, Devon employees also contribute to the fight against hunger, advancing education and other activities to deliver necessities and enrichment opportunities to our neighbors.

Before we take action, Devon engages with our stakeholders to understand their concerns, assess their needs and determine the most effective way we can help. Our engagements are guided by our commitment to work with integrity, earn trust and be accountable for our actions and results.

Investing in Our Communities

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### Social Overview

When you combine a petroleum engineer and a Girl Scout, you get someone who knows the importance of learning about STEM (science, technology, engineering and math) subjects as early as possible. At Devon, that’s Catherine, a local Girl Scouts board member since 2014. "I want to create more opportunities for girls in STEM fields. A key age group is fifth graders; if we don’t reach them by that point, they’re unlikely to become interested.”

### Investing in Our Communities

#### Social Overview

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### RESOURCES

To help organizations and communities tap into Devon’s social programs and policies, we are pleased to make these resources available:

- **Corporate Giving Policy**
  Guidelines to determine which causes we consider to be consistent with our corporate giving philosophy.

- **STEM education grants**
  Grants designed to help educators spark students’ interest in science, technology, engineering and math.

- **Teacher development grant**
  Continuing education, training and/or professional development for STEM teachers in public schools.

- **Corporate contributions**
  We support community development, social services, environment and conservation, education, emergency response and preparedness, and arts and culture programs.

- **Volunteer request form**
  Find Devon volunteers for a nonprofit organization or specific activity.

- **Statement on Human Rights**
  Describes our commitment to human rights, resources providing guidance on human rights issues and expectations of vendors, suppliers and contractors.

### Social Metric

<table>
<thead>
<tr>
<th>SOCIAL METRIC</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Social Investments (thousands)</td>
<td>$4,778</td>
<td>$6,692</td>
<td>$7,043</td>
</tr>
</tbody>
</table>

A steep industry downturn necessitated cost-cutting in 2016.

---

**Catherine Oster**  
**Vice President, Strategic Planning**

When you combine a petroleum engineer and a Girl Scout, you get someone who knows the importance of learning about STEM (science, technology, engineering and math) subjects as early as possible. At Devon, that’s Catherine, a local Girl Scouts board member since 2014. "I want to create more opportunities for girls in STEM fields. A key age group is fifth graders; if we don’t reach them by that point, they’re unlikely to become interested.”
Committed to working together

Devon employees engage with stakeholders daily to build relationships founded in trust and cooperation. We place a high priority on our commitment to work together to find solutions benefiting the stakeholders and communities where we operate. Our culture of integrity and accountability extends to all our stakeholders, including our employees and their families, shareholders, neighbors, landowners, mineral-rights holders, policymakers, lawmakers, suppliers, vendors and service companies.

Finding and producing oil and natural gas involves industrial processes that can cause noise, traffic and related impacts to local roads. We have a strong record and have earned a positive reputation for repairing damage caused by industry activity. We recognize that our actions can affect our neighbors, and we are dedicated to improving the compatibility of our operations within the communities where we do business.

Our strong relationships help us avoid potential problems and address issues in ways that benefit our neighbors. First-responders come to mind. Teachers and students. Farmers and ranchers. Home- and business-owners. Wherever people’s lives and livelihoods intersect with our operations, we want to help.

When industry activity in Oklahoma raised traffic concerns, Devon stepped up as a founding member of the Energize for Safety Coalition. Together with community leaders, safety supporters and other operators, we’re committed to reducing the dangers on busy roadways where we work. The coalition developed a safety zone to reduce incidents along a state highway where the rate of accidents involving large trucks had risen. The coalition is also providing resources to local high schools to enhance driver education.

Devon is committed to working together and is available to listen and handle any concerns received in person, by phone or online. Our experienced team of land, community relations, field operations, corporate communications and related team members are trained and prepared to respond to issues with the intent of collaboratively finding solutions with our stakeholders.

A solutions-oriented approach led Devon to be a partner of the Permian Strategic Partnership, a coalition of energy companies combining resources to collectively address the challenges to health care, education, workforce development, housing and road infrastructure that have accompanied rapid industry growth in the Permian Basin of Texas and New Mexico. The partners have been meeting with community leaders, elected officials and others responsible for managing regional growth to understand the needs and determine how industry can best support communities.
Our company, communities and industry need an educated and innovative workforce to grow and thrive. That’s why we work to interest students in STEM courses and careers.

Funding with impact

Today, about 20% of jobs in the U.S. require STEM (science, technology, engineering and math) skills and training, and that number is growing. Through 2035, nearly 1.9 million direct job opportunities will be available in the oil and gas industry, more than a third of which are expected to be filled by minorities and at least 15% by women, according to information published by API (American Petroleum Institute).

To support our technology leadership goals and our inclusion and diversity vision, Devon is strengthening our STEM philanthropic investments for underserved populations. We partner with qualified organizations that have a track record in STEM to identify community needs and solutions. Organizations we work with include the Oklahoma City STEM Collaborative, STEM Ecosystems/STEM Funders Network and Oklahoma City Public Schools Foundation, as well as teachers and administrators across several school districts. Based on our assessment of needs, Devon provides resources and materials, and implements programs to empower women, rural communities and minorities. In 2018, our STEM funding impacted 336 schools, 780 classrooms and 875 teachers.
A bold new STEM education and social services model

Devon has partnered for almost 20 years with an inner-city school in Oklahoma City, Mark Twain Elementary School, by providing mentors and other traditional support. In 2019, we committed to a bold new vision for a birth-to-fourth-grade education model that changes how students and their families are exposed to STEM.

We convened a wide variety of local and national nonprofits, private foundations and corporations to this unique venture, including the Cal Ripken, Sr. Foundation, Kiwanis, Smart Start Central Oklahoma, Inasmuch Foundation and others. The group revived rundown facilities near Mark Twain Elementary and placed a suite of new equipment, programs and resources at the school. The partnership includes a STEM center, MakerSpace and a new community center providing wraparound education and social services for the entire neighborhood.

STEM education will increasingly be integrated into the children’s education beginning as early as three years old. STEM professionals will be on hand to help teachers integrate STEM throughout the school. Before- and after-school programs are planned to further engage students and families in engineering challenges and other programming. Through enhanced support, resources and education, particularly in the area of STEM, we hope to show a measured impact against a similar school without added resources.

In the 2019-20 school year, we expect the program to impact about 400 children. In addition, this community partnership – which we believe will be one of the first of its kind in the U.S. – will immediately boost an underserved community and be a model for broad, holistic engagement others can follow.

Mark Twain Elementary School Partners

- **Cal Ripken, Sr. Foundation**
  STEM Center

- **Engage Learning**
  Teacher training, afterschool programs and MakerSpace STEM lab staffing

- **Devon STEM Buddies program**
  Employees volunteering to work with students

- **Downtown Kiwanis Community Center**
  Early Head Start

- **Smart Start Central Oklahoma**
  Parent resource room staffing/early child education support

- **OKC Kiwanis Club**
  Funding partner

- **The Home Depot Foundation**
  Building materials, volunteers for school improvement projects

- **Inasmuch Foundation**
  Funding partner/program coordinator position
Encouraging Ingenuity

Through our signature STEM grant program, Devon has made more than $1 million in grants to educators in our U.S. operating areas in the past eight years, including grants to 15 schools in 2018. Devon is committed to helping communities inspire young people to pursue an interest in the STEM subjects by working together with schools and community organizations to enhance access to STEM education. In the Oklahoma City area, Devon’s investments in STEM education have provided more than 88,000 K-12 students better access to educational opportunities. In addition, Oklahoma teachers have been able to enhance their instructional time with students through more than 30 Devon grant programs.

We support a variety of STEM programs in our operating areas, including:

Design + Do

Our Design + Do challenge, introduced in 2018, gave children a hands-on opportunity to have fun while solving a problem and building STEM skills. Design + Do allows kids to design the playground equipment of the future and get help from Devon employees to build prototypes. In 2018, fifth-graders from eight elementary schools came together at the University of Oklahoma Tom Love Innovation Hub to create their own scale models using 3D printers, laser cutters and other materials, and then present their creations to a panel of judges. Design + Do encourages the students’ creativity and teamwork, and exposes them to real-world technology and innovation challenges.

Girl Scouts Terra Troopers

Female geologists at Devon developed Girl Scouts Terra Trooper activity kits and leader guides to engage girls in topics like geology and topography, with the intention of interesting them in careers in the oil and gas industry. After girls complete each hands-on, age-level kit series, they receive a Terra Trooper patch illustrating the geosciences program. Since we started sponsoring the Terra Trooper program in 2015, individual Girl Scouts have earned 819 patches, 358 of them in 2018.
FFA Agriscience Fair

Devon has partnered with the Oklahoma FFA in an agriscience initiative to encourage students to consider the ways the two industries intersect. As part of that program, students are including oil- and gas-related projects in the annual FFA AgriScience Fair.

Devon Thunder Explorers

Devon and the Oklahoma City Thunder have partnered to offer a program to encourage young people to engage in STEM activities that explore the science behind basketball. Students complete science experiments and other challenges to receive special recognition by the Thunder.

SAGE STEM Camp

SAGE is a week-long STEM camp designed to create interest, excitement and self-confidence in young women entering eighth grade. The camp empowers girls to think about themselves as future scientists, engineers, mathematicians and computer specialists. Devon’s partnership offers campers interactive field trips exploring various departments within the company, learning what geologists do and getting hands-on experience with rocks.

Devon Energy Teacher of the Match

The Devon Energy STEM Teacher of the Match honors an elementary teacher nominated for their hard work in the STEM education field. Teachers are recognized during an on-field presentation and receive $1,000 for their classroom.

FIRST Robotics

In 2018, Devon sponsored the Oklahoma First Robotics regional finals for the second consecutive year. The 2018 competition paired 63 teams of young people from across the state with local engineers, professors and business professionals to solve an engineering design problem over a six-week period. FIRST (which stands for “For the Inspiration and Recognition of Science and Technology”) is a nonprofit founded in 1989 to inspire young people to join the field of science and technology.

Oklahoma City Dodgers MVP Program

This program recognizes and rewards outstanding students for their achievements in science and math in more than 400 classrooms across Oklahoma City. Third- and fourth-grade students are selected to receive tickets to a game and the opportunity to attend the MVP Field Day featuring STEM activities. The program is free to teachers, who also receive tickets to an Oklahoma City Dodgers game – where MVPs are honored – and the field day. The Dodgers are a Minor League Baseball Triple-A affiliate of the Los Angeles Dodgers.
**Volunteerism**

**Having a strong community presence puts our core value to be a good neighbor into action. Devon’s U.S. employees volunteered more than 4,600 hours to feed the hungry, educate children and otherwise serve our communities in 2018.**

**Opportunities to give back to our communities**

At Devon, helping the Regional Food Bank of Oklahoma fight hunger and feed hope is one of the most popular volunteer activities among our employees. At our eighth annual “Stuff the Truck” event, 440 employees brought their competitive spirit to the job of packaging 242,500 pounds of food – enough for 202,100 meals. More than 300 volunteers packed 2,800 backpacks for the Food for Kids program, saving the food bank $3,000 in labor costs. In addition, our volunteers saved United Way almost $900 in labor costs by stuffing more than 1,500 holiday stockings.

Our volunteers contribute many hours as community leaders, including serving as directors on the boards of nonprofits. Devon provides ongoing communication and resources to support their dedication to charitable organizations.

Devon employees hard at work during the annual “Stuff the Truck” volunteer opportunity benefiting the Regional Food Bank of Oklahoma.

We founded the Devon Energy Charitable Foundation in 2001 to provide financial relief to employees who encounter unexpected hardships or damages. Since then, our employees have contributed more than $365,000 to about 180 coworkers experiencing severe and unanticipated financial needs.

One of Devon’s long-term community partners is Mark Twain Elementary School in Oklahoma City, where we provide funding, resources and employee volunteers to enhance the quality of education. We’re excited to bring a unique wraparound educational model to the school in 2019, in collaboration with private foundations, corporate sponsors, community organizations and Oklahoma City Public Schools. For more information on this venture, one of the first of its type in the U.S., please see the STEM section of this report.

Helping others allows Devon and our employees to give back in meaningful ways, and we take pride in the time and resources we dedicate to improving our communities.
Philanthropy

Devon is proud to invest in the quality of life in our communities — for our neighbors, our employees and our company.

Community development, social services, arts and culture

Devon is a leading contributor to philanthropic campaigns for nonprofit agencies in our hometown, Oklahoma City, and in communities where we operate. With the company’s one-to-one match for employee donations, our 2018 Give for Good campaign raised more than $2.2 million for the United Way of Central Oklahoma that supports 58 partner agencies, as well as the Regional Food Bank of Oklahoma. We also supported the Oklahoma City Indian Clinic in 2018 by contributing to equipment for the clinic’s women’s lab. In 2017, Devon donated $40,000 to the clinic to improve access to lifesaving breast cancer and colorectal cancer screenings for American Indian women.

We host an employee fundraising campaign for Oklahoma Allied Arts, and make grants to the Oklahoma City Museum of Art, the Oklahoma City Ballet, the Arts Council of Oklahoma and Lyric Theatre. We’re pleased to contribute to arts and culture organizations that add vibrancy and enhance the quality of life in our communities.

$2.2 MILLION
raised in 2018 supporting 58 partner agencies, including Regional Food Bank of Oklahoma and United Way of Central Oklahoma
Matching employee gifts to institutions of higher education

Through Devon’s Higher Education Gift Matching Program, employees can enhance their personal donations to qualifying educational institutions. With the company’s match ratio of 1 to 1.5, an eligible employee’s gift of $1,000 to an accredited undergraduate or graduate school is matched with $1,500 from Devon, for a total combined gift of $2,500. We match up to $10,000 per employee in a calendar year. From 2009-2018, Devon and our employees donated nearly $2 million under the program to qualifying colleges and universities.

Environment and conservation

Devon has partnered with the Wyoming Conservation Corps (WCC) since 2007 to involve youth in conservation around the state. Each year, WCC students complete a 10-day project of habitat restoration and related land-stewardship activities. Devon employees join the students for a day to share insights about the oil and gas industry and host a visit to active operations. In 2019, we celebrated our 12th year of partnership. Our WCC projects create lasting benefits for public lands in Wyoming, while informing the students about energy production, environmental stewardship and land management.

Local emergency response and preparedness

Devon builds supportive relationships with the emergency responders who protect our communities. We invested approximately $300,000 in 2018 to help local emergency response groups with equipment purchases, training and other needs. We continued our practice of hosting annual response exercises with community agencies and partners to work through scenarios and response plans. We held full-scale exercises with fire, law enforcement, emergency management and emergency medical services in Cuero, Texas, and Artesia, New Mexico. Devon also hosted appreciation events for fire departments in our Oklahoma and New Mexico operating areas, and quarterly roundtables for emergency responders in southern Texas.

“Thanks to the support of Devon Energy and the company’s desire to encourage STEM learning in the Oklahoma City Public Schools, the Cal Ripken, Sr. Foundation is able to introduce a year-long STEM program at Mark Twain Elementary School in the 2019-20 school year. We’re excited to launch this new Ripken Foundation STEM Center equipped with a specialized selection of educational products, activities, equipment, curriculum and materials that will enhance STEM learning throughout the year. Ripken Foundation staff will help train teachers and mentors at Mark Twain to utilize these resources, including MakerSpace programs so that youth can learn and explore their curiosities about STEM. We hope this will be the first of many Ripken Foundation STEM Centers in partnership with Devon Energy.”

-Steve Salem, Cal Ripken, Sr. Foundation president and CEO

Our support of the Nature Conservancy is helping the Chickasaw Nation’s efforts to protect the Blue River in the Oka’ Yanahli Preserve, safeguarding its cultural heritage and encouraging biodiversity in the area.
Human Rights

Recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.

- The Universal Declaration of Human Rights, 1948.

All people are created equal

At Devon, we are committed to the philosophy expressed in the Universal Declaration of Human Rights, as proclaimed by the United Nations General Assembly 70 years ago. Our core values embrace social progress and economic growth, consistent with the Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council in 2011.

We also are guided by the principles articulated in the Declaration of Fundamental Principles and Rights at Work, adopted 20 years ago by the International Labor Organization. These principles include prohibition on child labor, forced labor and discrimination in the workplace.

We participate in the lives of the communities where we live and operate, and we actively engage with our neighbors to understand the environmental and human impacts of our operations. When assessing and addressing these impacts, we consult with those who may be affected, including Native American communities, where possible and appropriate.

We continuously evaluate ways to enhance awareness of human rights issues and engage with our stakeholders, vendors and suppliers to continue to improve our approach.

Devon Human Rights Statement
The Workforce section of our 2019 Sustainability Report includes:

- Overview
- Talent Management
- Inclusion & Diversity
- Innovation
Our People Are Moving Devon Forward

Our employees’ knowledge, expertise, skills and creativity are the keys to Devon’s success. We look to our core values to build the workforce we need: We seek to hire the best people and expect them to do the right thing, deliver results, be a team player and be a good neighbor.

Creating value for all our stakeholders requires employees dedicated to continuously improving our business, developing innovative solutions, and overcoming the technical challenges of finding and producing oil and natural gas. Learning through work, coupled with our diverse professional development and training programs, helps prepare our workforce to meet today’s economic, social and environmental challenges.

(continued next page)

Jimmy Turnini
Manager, Production Optimization

Jimmy and his team are charged with ensuring Devon is producing oil and natural gas in the best way possible. That means making sure we’re using the best data available to make the most informed decisions and that our wells are performing optimally. “I love coming to work because my job allows me to improve the way we work and operate in the field. Through innovation and technology, we increase job satisfaction for our field operators while increasing the value they already provide.”

RESOURCES

These resources are essential to the results-oriented work environment that’s moving Devon forward:

- **Code of Business Conduct and Ethics**
  Sets out the basic principles of conduct for all Devon employees, officers and directors.

- **Mission Statement, Vision Statement and Core Values**
  Guide what we do and why we do it.

- **Inclusion and Diversity vision**
  Unleashes the power of our people to realize the Devon vision.

- **Employee communications**
  Includes small-group meetings with senior leaders, podcasts, surveys to gather employee feedback and town hall meetings that keep our workforce informed and prepared to meet our objectives.

(continued next page)
with training and development opportunities, allows our employees to grow professionally as they deliver results for the company. Our workforce practices and employee wellness programs help them to give their best effort.

We want employees to come to work focused and ready to embrace our shared mission, and we promote a respectful, inclusive and diverse work environment where our people can perform at their highest level. We communicate our strategy and progress toward performance goals and reinforce our core values and culture of integrity to engage employees in delivering results for all our stakeholders.

<table>
<thead>
<tr>
<th>WORKFORCE METRICS</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>Headcount (total company)</td>
<td>3,545</td>
<td>3,414</td>
<td>2,880</td>
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<tr>
<td>U.S.</td>
<td>75%</td>
<td>75%</td>
<td>74%</td>
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<tr>
<td>Canada</td>
<td>25%</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Minorities as a Percentage of Workforce (U.S. only)</td>
<td>17%</td>
<td>17%</td>
<td>18%</td>
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<tr>
<td>Women as a Percentage of Workforce</td>
<td>27%</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Years of Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>55%</td>
<td>46%</td>
<td>37%</td>
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<tr>
<td>5-9 years</td>
<td>23%</td>
<td>29%</td>
<td>36%</td>
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<tr>
<td>10-14 years</td>
<td>12%</td>
<td>15%</td>
<td>17%</td>
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<tr>
<td>15-19 years</td>
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<tr>
<td>20-24 years</td>
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<tr>
<td>25+ years</td>
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<td>3%</td>
<td>2%</td>
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<tr>
<td>Median Age</td>
<td></td>
<td></td>
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<tr>
<td>U.S. and Canada</td>
<td>38</td>
<td>39</td>
<td>40</td>
</tr>
<tr>
<td>Attrition Rate</td>
<td>4%</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>

*As defined by the U.S. Equal Employment Opportunity Commission.
Talent Management

We seek to attract and retain people whose values and attributes include integrity and accountability, an appetite for improvement and openness to change, energetic perseverance and open communication.

Workplace practices at a glance

Alternate Work Schedule (or 9/80) allows flexible work schedules for most employees. By working an additional hour on eight out of nine workdays during a given pay period, employees can take every other Friday off, resulting in 26 additional paid days off per year.

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

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

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

A strategy designed for sustainability

As our employees execute on our oil growth strategy, their success is material to Devon’s sustainability. Such success begins with equal opportunity in all aspects of employment.

We offer wellness programs, amenities and comprehensive benefits to help our employees concentrate on our shared mission when they’re at work. In 2018, we introduced several employee-friendly practices, including flexible hours, paid parental leave for the birth or adoption of a child, part-time work and telecommuting.

About 10% of Devon’s U.S. workforce took paid parental leave, worked a part-time schedule or operated from home for part of the year, and many more employees took advantage of Devon’s flexible work schedule on a day-to-day basis. We continue to monitor our workplace practices to ensure they meet our business needs and support our employees.
Training and development for employee and organizational success

Through employee training and career development opportunities, Devon has been able to fill up to 90% of leadership positions from within the company in recent years. Learning starts with new employee curriculum and continues with targeted development. Leaders also receive specific orientation, toolkits, information and development. Individual development and learning opportunities are offered through classroom instruction, online courses, assessments, coaching, interactive seminars and custom training.

To identify technical experts and future leaders so we can support their development goals, we make it a point to know our employees’ career aspirations, accomplishments, education, training and job preferences. We also seek to support the overall depth of talent and organizational leadership readiness through annual succession planning.

Devon employees are encouraged to create individual development plans that consider their career goals. The plans usually focus on development areas such as training, practice with coaching and feedback, and job assignments.

We will continue to train and develop Devon employees to drive the innovation, technical and operational performance, and inclusive and diverse workplace we need to be the premier operator in North America.
Inclusion and Diversity

We cultivate an inclusive and diverse workplace where anyone can share an idea and know it will be heard and respected.

Unleashing the power of our people

We need every Devon employee to contribute as we seek to increase innovation in environmentally responsible and safe operations with strong financial results. A workforce capable of meeting these high expectations is supported by Devon’s inclusion and diversity (I&D) vision to unleash the power of our people. When decisions are made by people who represent a diversity of thought, broad experiences and fresh perspectives, we sharpen our competitive edge.

One of our most important goals is to encourage inclusion. We believe this will improve our organizational performance and enhance our culture. In 2018, Devon focused on raising awareness about inclusive behaviors and unconscious bias. We held educational sessions with Devon leaders and a series of employee town hall gatherings, followed by training opportunities for deeper learning. Teams then watched educational videos together and discuss what they learned about making inclusion foundational to our relationships.

We believe an inclusive, diverse workforce produces superior financial results, a belief that is supported by a growing body of research. Our I&D strategy is intended to create an environment where each person contributes to their fullest.

One employee shared:

“The impact of the program has been positive. By keeping the content on my radar, I’ve been able to step back and think about my go-to responses in various situations. In turn, I’ve sought to make more inclusive decisions.”

Taking action to increase inclusion and diversity

Devon formed an Employee Inclusion Action Team that strives to proactively and consistently increase awareness, identify challenges, drive accountability and find innovative ways for the company to embrace inclusion and celebrate our diversity. More than 30 employees from across Devon asked to be on the team, which organized Devon’s first participation in the annual Martin Luther King Jr. Day Parade in Oklahoma City in January 2019. The action team is planning other activities and learning opportunities to support I&D at Devon.
Devon women leading our industry

Devon sponsors the Oklahoma Women’s Energy Network chapter and employee memberships. In 2018, Devon employees accounted for 20% of the group’s membership, including three board members, six committee chairs, and more than 60 mentors and mentees. These volunteers are an example of our commitment to professional development and building a community. Our employees benefit from networking and leadership opportunities; individual contributors in particular say as their network expands and mentor relationships deepen, they become more successful.

To attract more women to technology jobs, Devon supports Oklahoma Women in Technology (OKWIT) and its efforts to bridge the gender gap in science, technology, engineering and math (STEM) fields. Less than 20% of qualified applicants for technology jobs are women, and Devon believes our involvement in OKWIT will help increase the number of women graduating with STEM degrees who can then enter the technology talent pipeline. About 40 Devon employees are active in OKWIT and activities like its 2018 fall retreat, which was attended by more than 370 teachers and students. As a result of our OKWIT participation and other efforts, about half of our technology interns were female in 2018. Our involvement with OKWIT is consistent with our broader companywide efforts to support STEM activities.

A military friendly employer

Devon is proud of our success hiring former members of the U.S. military, whose experience in organizations that value integrity and doing the right thing aligns with our values. Recent recognition for our military recruiting includes the 2018 Military Spouse Friendly Employers List, CivilianJobs.com’s Most Valuable Employers (MVE) for Military and the Secretary of Defense Employer Support Freedom Award. In 2018, 7% of our external hires had military service experience and 5.7% of our total U.S. workforce had served in the military (based on voluntary reporting).

Diverse skills, one team

Because we believe that inclusion and performance are intrinsically linked, Devon strives to build diverse, inclusive teams where people of different disciplines, perspectives and skill sets collaborate to improve our results. This functional diversity is evident in our Technology group, where our information technology (IT), operations-based data and analytics, and other improvement and technology experts and resources work together to support our business needs. Our Environment, Health and Safety (EHS) team takes a similar approach to support our operations teams as trusted advisors in EHS and environmental, social and governance (ESG) performance.
Innovation

Devon is applying advanced analytics, artificial intelligence, machine learning and other leading-edge technologies to drive decision-making and deliver results.

An environment where technology and innovation thrive

Innovation has been a Devon hallmark since the company’s 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. Today, we’re among the first exploration and production companies to move to cloud computing. We believe the ability to use technology with increasing efficiency across the company is material to our sustainability.

Many of the traits we look for in our employees – passion for improving the business, energetic perseverance and eagerness to challenge the status quo – create an environment where technology and innovation thrive. We encourage and celebrate a willingness to take risks, advance novel ideas and collaborate to advance innovation.

At Devon, innovation encompasses game-changing technologies and also incremental improvements that pay dividends over time. To become a leader among our peers, we’ve made substantial investments in integrated advanced analytics, artificial intelligence (AI), machine learning and robotic-process automation. These technologies enable us to detect subsurface attributes; predict pump and equipment wear and tear; automate work; develop custom algorithms for geophysical data; process invoices; and perform numerous other functions.

Taken together, the billions of data points Devon acquires, analyzes and uses every day have significant value in our planning and decision-making. We see our technology strategy, investments and innovations improving the economics, production rates and lifespans of our oil and natural gas wells.

Improved designs have contributed to a 40% reduction in drilling and completion costs since 2014, and the initial 90-day production rate from our wells has increased 450% since 2012.

We remain focused on data-driven improvements to our subsurface performance, while evolving our technology capabilities and resources to match Devon’s business needs.
Devon defines innovation as the search for continuous improvement and/or bold game changers – coupled with quick decision-making – to seize team, company or industry opportunities.

Empowering employees to be more productive

We create more value when our technology team members spend their time developing business solutions than when they’re maintaining computing assets. In 2018, Devon made a technological leap ahead of our peers when we moved to cloud computing, meeting clear business needs to be nimble decision-makers and to better leverage new technologies. Cloud computing gives our employees much quicker access to applications, scripts, workflows and data to perform high-end analytics and develop solutions in a fraction of the time it took when we housed these resources in our corporate data center. For example, cloud computing gives lease operators in our Decision Support Center quicker access to data to inform decisions on equipment maintenance and repairs.

To improve productivity, we give our employees easy access to programming languages, software and applications, and training to use them effectively. In 2018, approximately 400 employees attended data science boot camps for deep learning software and internal training on common programming languages. They now have the tools to use and analyze millions of Devon data records to develop targeted solutions that fundamentally change the way we work.

Equipping employees to program their own solutions supports the ongoing integration of technology and innovation into our operations. In 2018, we combined our information technology, E&P analytics and continuous improvement teams into a single technology group. Now, our technology resources and operations teams are closely connected to drive performance in our core business areas of drilling, completions and production.

With our more focused asset base, we’re also leveraging our technology providers to apply their solutions to our specific oil and gas challenges. For example, we partner with Microsoft to ensure our employees can use their software effectively to write and run code, implement deep learning and use AI. Microsoft was a key sponsor of Devon’s 2018 hackathon where employees and members of the public worked on solutions to specific operational problems.

Technology and innovation remain integral to Devon’s plan to thrive and outperform our peers in a variety of commodity price environments. We’ll continue to encourage an innovative culture that celebrates continuous improvement as well as big wins.

In the first-ever companywide ideaWELL challenge, employees were asked to develop an idea to add revenue and increase efficiency to an existing process. The winning idea was to develop and equip central tank batteries with a device that optimizes vapor pressure. Our Innovation Action Council, which sponsored the challenge, noted that the idea identified an existing problem related to our core business, proposed a creative technical solution and provided context around the potential financial impact. Engaging employees in solving problems is one of the ways Devon is building our culture of innovation.
**Performance Metrics**

**ENVIRONMENT METRICS**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct GHG Emissions (million tonnes CO$_2$e)</td>
<td>5.20</td>
<td>5.37</td>
<td>5.65</td>
</tr>
<tr>
<td>Direct and Indirect GHG Emissions (million tonnes CO$_2$e)</td>
<td>5.77</td>
<td>5.94</td>
<td>6.30</td>
</tr>
<tr>
<td>U.S.</td>
<td>2.31</td>
<td>2.39</td>
<td>2.60</td>
</tr>
<tr>
<td>Canada</td>
<td>2.89</td>
<td>2.98</td>
<td>3.05</td>
</tr>
</tbody>
</table>

Due to an increase in activity levels in 2018, our overall emissions slightly increased. However, we remain committed to improving emissions-control technology and leak detection and repair (LDAR) practices, and to reducing venting and flaring.

**GHG Emissions Intensity (tCO$_2$/MBOE)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>10.52</td>
<td>11.65</td>
<td>11.77</td>
</tr>
<tr>
<td>Canada</td>
<td>56.01</td>
<td>56.30</td>
<td>66.34</td>
</tr>
</tbody>
</table>

Despite increased activity levels in 2018, Devon’s U.S. emissions intensity was held largely in check by better facility design and control technology. Canada’s emissions intensity increased due to reduced production levels resulting from market conditions, as well as unexpected operational challenges at the Jackfish SAGD facility.

**Methane Emissions (million tonnes CO$_2$e)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>1.51</td>
<td>1.30</td>
<td>1.22</td>
</tr>
</tbody>
</table>

Methane emissions have been decreasing due to improved emissions-control technologies and improved LDAR practices.

**Methane Emissions Intensity (tCO$_2$/MBOE)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>4.31</td>
<td>4.16</td>
<td>3.73</td>
</tr>
<tr>
<td>Canada</td>
<td>10.96</td>
<td>8.75</td>
<td>8.54</td>
</tr>
</tbody>
</table>

Lower methane emissions intensity is a result of concerted efforts to reduce venting and flaring and improve our LDAR practices.

**Methane Emissions Intensity (% of natural gas produced)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016%</th>
<th>2017%</th>
<th>2018%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Devon’s U.S. methane emissions intensity rate will be used to track progress toward Devon’s goal of achieving a methane intensity rate of 0.28% by 2025. While our overall methane emissions and methane intensity rate in CO$_2$/MBOE decreased in 2018, our methane intensity rate as a percentage of natural gas produced increased, due in part to lower gas production following the sale of our Johnson County Barnett Shale assets.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indirect Emissions - Electricity Use (million tonnes CO$_2$e)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>0.57</td>
<td>0.57</td>
<td>0.65</td>
</tr>
<tr>
<td>Energy Used - Fuel and Electricity Use (trillion BTU)</td>
<td>81.12</td>
<td>85.70</td>
<td>73.49</td>
</tr>
</tbody>
</table>

Consumption of electricity represents a small portion of our overall emissions profile.

**U.S. Water Usage (million bbl)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>25.40</td>
<td>51.32</td>
<td>67.50</td>
</tr>
<tr>
<td>Recycled (million bbl)</td>
<td>2.80</td>
<td>4.67</td>
<td>11.75</td>
</tr>
<tr>
<td>Sourced (million bbl)</td>
<td>22.60</td>
<td>46.65</td>
<td>55.75</td>
</tr>
</tbody>
</table>

Water use varies with activity levels. A steep industry downturn in 2016 led to significantly reduced activity. However, in any year, Devon seeks alternatives to fresh water supplies.

**U.S. Water Usage Intensity (million bbl/well completion)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Devon is an industry leader in developing recycled-water technologies and best practices.</td>
<td>0.16</td>
<td>0.22</td>
<td>0.21</td>
</tr>
</tbody>
</table>

**Reportable Spill Events Released to the Environment (events)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reportable Spill Events Released to the Environment (events)</td>
<td>178</td>
<td>159</td>
<td>212</td>
</tr>
</tbody>
</table>

As we seek to prevent spill events, we remediate, investigate the cause and take corrective action to prevent recurrence.

**Reportable Spill Volumes Released to the Environment (barrels)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reportable Spill Volumes Released to the Environment (barrels)</td>
<td>3,247</td>
<td>4,101</td>
<td>3,978</td>
</tr>
</tbody>
</table>

---

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

2. Our emissions reporting methodology varies depending on the emissions source and the applicable regulatory requirements. We include all reportable emissions under EPA’s Greenhouse Gas Reporting Program (GHGRP), as well as non-reportable emissions, from our production assets in the U.S.

3. Our U.S. methane emissions intensity rate calculation includes all natural gas produced at Devon operated facilities and all methane emissions from Devon facilities associated with the production of oil and natural gas. Click here to see Devon’s calculation methodology for methane emissions intensity for U.S. operations.

4. Refers to the volume of water reused in steam generation.
### Health & Safety Metrics

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Safety Performance</td>
<td>0.41</td>
<td>0.60</td>
<td>0.50</td>
</tr>
<tr>
<td>TRIR</td>
<td>0.36</td>
<td>0.57</td>
<td>0.31</td>
</tr>
<tr>
<td>Employee Hours</td>
<td>8.9</td>
<td>6.7</td>
<td>7.0</td>
</tr>
<tr>
<td>Contractor Hours</td>
<td>0.44</td>
<td>0.63</td>
<td>0.54</td>
</tr>
</tbody>
</table>

The increase in TRIR in 2017 was due primarily to increased industry activity and the associated influx of workers new to our industry.

### Governance Metrics

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Board Members</td>
<td>78%</td>
<td>78%</td>
<td>80%</td>
</tr>
<tr>
<td>Women Board Members</td>
<td>22%</td>
<td>22%</td>
<td>20%</td>
</tr>
</tbody>
</table>

In June 2019, our board composition changed. Currently, 10 of our 11 board members (91%) qualify as independent under NYSE standards and SEC regulations.

### Social Metric

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Social Investments (thousands)</td>
<td>$4,778</td>
<td>$6,692</td>
<td>$7,043</td>
</tr>
</tbody>
</table>

A steep industry downturn necessitated cost-cutting in 2016.

### Workforce Metrics

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount</td>
<td>3,545</td>
<td>3,414</td>
<td>2,880</td>
</tr>
<tr>
<td>U.S.</td>
<td>75%</td>
<td>75%</td>
<td>74%</td>
</tr>
<tr>
<td>Canada</td>
<td>25%</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Minorities as a Percentage of Workforce (U.S. only)$</td>
<td>17%</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>Women as a Percentage of Workforce</td>
<td>27%</td>
<td>27%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Years of Service

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>55%</td>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>5-9 years</td>
<td>23%</td>
<td>29%</td>
<td>36%</td>
</tr>
<tr>
<td>10-14 years</td>
<td>12%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>15-19 years</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>20-24 years</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>25+ years</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Median Age</td>
<td>38</td>
<td>39</td>
<td>40</td>
</tr>
</tbody>
</table>

Attrition Rate

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. and Canada</td>
<td>4%</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>

$ As defined by the U.S. Equal Employment Opportunity Commission.
Safe Harbor

Some of the information provided in this report includes “forward-looking statements” as defined by the United States Securities and Exchange Commission (SEC). Forward-looking statements are often identified by use of the words “forecasts,” “projections,” “estimates,” “plans,” “expectations,” “targets,” “opportunities,” “potential,” “outlook” and other similar terminology. Such statements concerning future performance are subject to a variety of risks and uncertainties that could cause Devon’s actual results to differ materially from the forward-looking statements contained herein. Risks and uncertainties are described in more detail in the “Risk Factors” section of our most recent Form 10-K and in our other filings with the SEC.

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