

Devon Energy CDP Water Security 2020

W0. Introduction

W0.1

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

Devon Energy Corp. (NYSE: DVN) is an independent energy company engaged in oil and natural gas exploration and production. Devon is among the largest U.S.-based independent producers and is included in the S&P 500 index. The company is based in Oklahoma City. Devon's operations are concentrated in various onshore areas in the U.S. In June 2019, the company completed the sale of substantially all of the company's oil and gas assets and operations in Canada. The company's portfolio of oil and natural gas properties provides stable, environmentally responsible production and a platform for future growth. For 2019, the company's production mix for retained assets was 31 percent natural gas and 69 percent oil and liquids such as propane, butane and ethane. Devon's mission is to be a results-oriented oil and natural gas company that creates value for stakeholders in an employee culture of optimism, teamwork, creativity and resourcefulness, and by doing business in an open and ethical manner. For more information about Devon, please visit www.devonenergy.com.

This questionnaire includes "forward-looking statements" as defined by the Securities and Exchange Commission (the "SEC"). Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions. All statements, other than statements of historical facts, included in this questionnaire that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. These risks are identified in our Form 10-K and other filings with the SEC. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this questionnaire are made as of the date of submittal of our responses to this questionnaire, even if subsequently made available by Devon on its website or otherwise. Devon does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

W-OG0.1a

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

Upstream

W0.2

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

	Start date	End date
Reporting year	January 1, 2019	December 31, 2019

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

United States of America

W0.4

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

USD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Wells drilled, completed and operated by other companies	Devon owns interests in oil and gas wells drilled, completed and operated by other companies. Where Devon is not overseeing the drilling, completion or operations, water use is not included because the data may not be readily available and accessible to Devon. Reporting efforts will focus on water resources required for direct completions activity for wells under Devon's operational control.
Water supplied to Devon offices	Reporting efforts will focus on water resources required for direct completions activity for wells under Devon's operational control.
Waterflood operations	Waterflood operations typically use/reuse produced water. Produced water originates from the deep geological formations from which oil and gas are produced, containing high concentrations of chlorides, salts and other compounds that make it non-potable. Reporting efforts will focus on water resources required for direct completions activity for wells under Devon's operational control.

Water disposal	Water disposal data is reported to state and/or federal regulatory agencies and is available through these agencies. Reporting efforts will focus on water resources required for direct completions activity for wells under Devon's operational control.
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W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Neutral	Fresh water is important for the drilling and completion of wells, plant utilities, providing water supply, adequate sanitation and hygiene (WASH) facilities at our field office locations. Through Devon's continued conservation efforts, our reliance on recycled, brackish, and/or produced water for drilling and completions activities has continued to increase, allowing the demand on access to good quality freshwater to be reduced.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	Where feasible, brackish and/or recycled produced water is utilized during completions operations. Access to sufficient amounts of recycled, brackish and/or produced water is therefore important for these operations. Devon's water recycling strategy in the Delaware Basin includes connecting more third parties to our system, which allows Devon to increase the amount of recycled, brackish and/or produced water available for use in operational activities.

W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	The measurement of water withdrawals is performed to meet requirements of regulations and to make payments to water rights holders.

		This tracking also allows us to enhance water-management performance at our facilities through collaboration with industry and trade organizations. Our response to this category relates to the upstream oil and gas facilities within our multiple operating areas in the U.S.
Water withdrawals – volumes by source	100%	Water withdrawals are tracked by source to meet requirements of regulations, to make payments to water rights holders, and to actively seek alternatives to fresh water.
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	100%	Produced water is tracked to meet requirements of regulations. Produced water volumes are measured and monitored at the disposal or recycling facilities to meet requirements of regulations.
Water withdrawals quality	76-99	Water quality is generally checked at new sources and prior to and during completions operations.
Water discharges – total volumes	100%	Discharge volumes are tracked to meet requirements of regulations.
Water discharges – volumes by destination	100%	Discharge volumes are tracked to meet requirements of regulations; generally, the location of the discharge is specified by permit.
Water discharges – volumes by treatment method	100%	Discharges by treatment method are tracked to meet requirements of regulation.
Water discharge quality – by standard effluent parameters	100%	Water quality data required by regulation is measured and tracked.
Water discharge quality – temperature	100%	Water quality data required by regulation is measured and tracked.
Water consumption – total volume	100%	Water consumption is considered total water used during completions operations, including fresh, non-fresh, and reused water sources
Water recycled/reused	100%	Recycled/reused volumes are measured and tracked on daily reports and summarized monthly for inventory and billing purposes.
The provision of fully-functioning, safely managed WASH services to all workers	100%	WASH water consumption is tracked through public water service billing records.

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	14,700	Higher	<p>Devon's total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes.</p> <p>Devon's total water use increased in 2019, primarily driven by higher completions activities and longer lateral sections.</p>
Total discharges			
Total consumption	14,700	Higher	<p>Devon's total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes.</p> <p>Devon's total water use increased in 2019, primarily driven by higher completions activities and longer lateral sections.</p>

W-OG1.2c

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

	Volume (megaliters/year)	Comparison with previous reporting year %	Please explain
Total withdrawals - upstream	14,700	Higher	<p>Devon's total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes.</p> <p>Devon's total water use increased in 2019, primarily driven by higher</p>

			completions activities and longer lateral sections.
Total discharges – upstream			
Total consumption – upstream	14,700	Higher	<p>Devon's total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes.</p> <p>Devon's total water use increased in 2019, primarily driven by higher completions activities and longer lateral sections.</p>

W1.2d

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

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	11-25	This is our first year of measurement	WRI Aqueduct	<p>There are multiple, varied definitions and interpretations of “water stress.” Using the World Resource Institute’s Aqueduct Water Risk Atlas and its corresponding definition of baseline water stress, approximately 25% of Devon wells (excluding the Barnett Shale, which is pending divestment) are located in “high” or “extremely high” areas of baseline water stress. The % withdrawn from stressed areas assumes the water was withdrawn at or near the well location.</p> <p>This is Devon's first year of measurement using the</p>

					updated WRI Aqueduct Water Risk Atlas (Aqueduct 3.0). Moreover, this is Devon's first year of measurement excluding our divested Canadian (divested June 2019) and Barnett Shale (pending October 2020 divestment) assets.
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W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	6,834	Higher	Surface water is utilized in the Mid-Continent Oklahoma Business Unit. An increase in water usage can be attributed to the completion of wells with longer lateral sections.
Brackish surface water/Seawater	Not relevant			While certain surface water used could be considered brackish, it was not distinguished in this report.
Groundwater – renewable	Not relevant			
Groundwater – non-renewable	Relevant	5,047	Lower	Groundwater is typically utilized in the Mid-Continent Texas Business Unit, Rockies Business Unit, and in part in the Delaware Basin Business Unit. Much of the groundwater used is considered brackish. The decrease in non-renewable groundwater can be attributed to a significant increase in the percentage of produced water used for fracture completion

				operations than in the previous year.
Produced/Entrained water	Relevant	2,818	Higher	A portion of the produced water collected from our oil and gas operations is recycled/reused in the fracture completions of subsequent wells. Recycled/reused water was heavily utilized in the Delaware Basin Business Unit at a significantly higher volume than the previous year.
Third party sources	Not relevant			Third party sources are utilized, but the volumes are presented within the other listed categories.

W1.2i

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

	Relevance	Please explain
Fresh surface water	Not relevant	Devon discharges treated produced water in the Rockies Business Unit in accordance with applicable state and federal laws and regulations.
Brackish surface water/seawater	Not relevant	Devon injects produced water into deep disposal wells below useable groundwater in all business units in accordance with applicable state and federal regulations.
Groundwater	Not relevant	Devon injects produced water into deep disposal wells below useable groundwater in all business units in accordance with applicable state and federal regulations.
Third-party destinations	Not relevant	Devon injects produced water into deep disposal wells below useable groundwater in all business units in accordance with applicable state and federal regulations.

W-OG1.3

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

Yes

W-OG1.3a

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

Business division

Upstream

Water intensity value (m3)

0.07

Numerator: water aspect

Other, please specify

Total water consumed (m3)

Denominator

Barrel of oil equivalent

Comparison with previous reporting year

Higher

Please explain

In 2019, Devon's total water usage intensity, including fresh, non-fresh, and recycled water volumes, was 0.07 m³/boe, trending up from 0.05 m³/boe in the previous year.

Devon's total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes. We seek alternatives to fresh water supplies, where possible, and continue to develop recycled-water technologies and best practices.

W1.4

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

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

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

Row 1

% of suppliers by number

1-25

% of total procurement spend

1-25

Rationale for this coverage

Devon's policy has long been to work only with approved contractors, suppliers, and vendors (collectively referred to here as "contractors") who complete our supplier qualification process and meet our extensive policy, insurance and environmental, health, and safety (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.

To build upon this process, Devon recently approved a pilot project to evaluate the environmental, social, and governance (ESG) performance of a subset of our contractors in 2020. Through partnership with a third-party service provider, Devon will evaluate responses to questionnaires assessing a company's ESG performance, including, among other things, whether the company tracks water use in its operations and has programs in place to conserve and reuse water.

Impact of the engagement and measures of success

This is a pilot project in the planning stages. However, Devon believes the pilot will demonstrate our commitment to ESG performance, including water management and conservation, to our contractors. For the pilot project, the measure of success will be the thoroughness with which the subset of contractors completes the questionnaire, as well as the level of engagement and constructive dialogue initiated with our contractors.

Comment

W1.4b

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

Type of engagement

Onboarding & compliance

Details of engagement

Other, please specify

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

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

Devon's policy has long been to work only with approved contractors, suppliers, and vendors (collectively referred to here as "contractors") who complete our supplier qualification process and meet our extensive policy, insurance and environmental, health, and safety (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 such as the Spill Prevention Countermeasures and Control (SPCC) Protocol. Devon assesses, among other things, whether a company has a written environmental program in place, has received any citations from a regulatory agency, and has had hazardous material releases or agency reportable releases – including both air or spill releases.

Please see Devon's Supplier Qualification Requirements here:
<https://www.devonenergy.com/operations/supply-chain/requirements>.

Impact of the engagement and measures of success

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

Comment

W1.4c

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

Devon has ongoing engagements on environmental performance issues, such as climate and water conservation, with a wide variety of partners along the value chain, ranging from stockholders including BlackRock to nonprofits such as the Environmental Defense Fund and Nature Conservancy. We engage with state and federal agencies and agency partners including the U.S. Bureau of Land Management, U.S. Environmental Protection Agency, and the New Mexico Environmental Department. Devon is a founding member of the Energy Water Initiative (EWI), a voluntary coalition of U.S. oil and natural gas producers focused on studying, describing, and improving lifecycle water use and management in upstream oil and gas operations. Devon's water recycling strategy in the Delaware Basin includes connecting more third parties to our water treatment systems, which allows Devon to increase the amount of recycled, brackish and/or produced water available for use in operational activities.

We are looking for ways to reuse produced water that we do not need for our operations. Devon is collaborating with other organizations to better understand technologies to desalinate produced water for uses outside of the oil and gas industry. In cases where we are producing more water than we can use, cost-effective desalination could make the water suitable for

aquifer recharge and other beneficial uses. To make this possible, regulatory frameworks for reusing desalinated produced water also need to be developed.

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

W2. Business impacts

W2.1

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

No

W2.2

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

No

W3. Procedures

W-OG3.1

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

Devon relies on the expertise of internal subject-matter experts, external consultants, and regulatory agencies to identify and classify potential water pollutants associated with our oil and gas operations. Devon routinely samples both raw and treated produced water. Devon's internal EHS Event Reporting Protocol lists oil, produced water, fresh water, fuel, drilling fluid (oil based and water based), cement, and chemicals as categories of fluids that are tracked internally if spilled outside their primary containment. Any quantities of these fluids above the required regulatory reporting threshold are reported to the appropriate state/federal agency.

Devon has a robust spill-reporting and tracking system that requires reporting unintentional releases of any material associated with our operations, such as oil, produced water and chemicals. We hold ourselves accountable for improving our performance by setting an annual corporate target for the lost-spill rate.

W-OG3.1a

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

Potential water pollutant	Business division	Description of water pollutant and potential impacts	Management procedures	Please explain
Other, please specify All well fluids	Upstream	General pollution	<p>Compliance with effluent quality standards</p> <p>Measures to prevent spillage, leaching and leakages</p> <p>Emergency preparedness</p>	<p>Safety and environmental stewardship start 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.</p> <p>Before a well is drilled, we determine the drilling fluids that will be used. Devon prefers to use water-based fluids, but some rock formations require us to use oil-based fluids. When we use oil-based fluids, we employ a closed-loop system for safety and environmental protection. In keeping with the EPA Spill Prevention, Control and Countermeasure (SPCC) Rule, we maintain plans at drilling locations to minimize the impact of potential spills. We follow local, state and federal guidelines when handling drilling fluid and mud systems.</p> <p>During drilling operations, casing integrity is confirmed through pressure tests. Acoustic measurements let us know that the cement is properly bonded to the casing and to the surrounding rock formation.</p>

				<p>After a well is drilled, the next step is to complete it using a process known as hydraulic fracturing. Water, sand and additives are pumped into the wellbore to create or restore small fractures in the rock to stimulate production from new or existing oil and gas wells. Water and sand make up 98 to 99.5 percent of the mixture. A full registry of wells and chemical additives, along with much more information about hydraulic fracturing, is available at fracfocus.org.</p> <p>During production operations, we continue to verify the well's integrity by monitoring tubing and casing pressures, and by analyzing gas and water produced by the well. We also conduct periodic pressure tests and casing inspections.</p> <p>High-definition cameras installed in our Rockies Business Unit allow operators and analysts at a central location to identify a minor leak and dispatch responders before it becomes a larger spill. Our staff can also perform a remote shutdown to stop an identified spill until responders arrive to address the issue. Through machine learning and predictive analytics, we believe we'll be able to anticipate spills and ultimately prevent them.</p> <p>Please see Devon's 2019 Sustainability Report for further discussion.</p>
<p>Other, please specify All well fluids</p>	<p>Upstream</p>	<p>General pollution</p>	<p>Compliance with effluent quality standards Measures to prevent spillage, leaching and leakages Emergency preparedness</p>	<p>In keeping with the pollution prevention principle in our Environmental, Health and Safety (EHS) Philosophy, we employ the appropriate tools and techniques to minimize discharges of oil, produced water and other materials from equipment and facilities. Examples of our preventive measures include secondary containment, nearly full tank alarms and</p>

			<p>offsite equipment monitoring with the ability to shut in facilities remotely.</p> <p>To ensure compliance with environmental rules and regulations, Devon’s environmental management program includes a comprehensive Spill Prevention Countermeasure and Control (SPCC) protocol that details the responsibilities, equipment, procedures and steps to prevent, control and provide adequate countermeasures to a discharge.</p> <p>One of the important steps we take to prevent spills is making employees and contractors aware of their responsibility to immediately report near misses, such as a storage tank approaching full volume or signs of wear that may result in a leak. We respond and make repairs as needed to stop any potential spill.</p> <p>When a spill occurs, we remediate, investigate the cause and take corrective action to prevent recurrence.</p> <p>Devon has a robust spill-reporting and tracking system that requires reporting unintentional releases of any material associated with our operations, such as oil, produced water and chemicals. We hold ourselves accountable for improving our performance by setting an annual corporate target for the lost-spill rate.</p> <p>Please see Devon’s 2019 Sustainability Report for further discussion.</p>
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W3.3

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

Yes, water-related risks are assessed

W3.3a

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

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

More than once a year

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Tools on the market
Enterprise Risk Management
Other

Tools and methods used

WRI Aqueduct
Internal company methods
External consultants

Comment

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

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

Devon analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development. Devon has a robust emergency preparedness program designed to ensure Devon is prepared to

respond to weather events, operational incidents, supply disruptions, and other emergencies that could affect our employees, communities, assets, business, and the environment.

Supply chain

Coverage

None

Comment

Other stages of the value chain

Coverage

None

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization’s water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability in our operating areas is analyzed at a basin/catchment level when operations are in that basin/catchment.
Water quality at a basin/catchment level	Relevant, sometimes included	Water quality is evaluated to verify suitability with fracturing fluids and to assess spill-related risks.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Water is an important resource, not only for the energy industry, but for all stakeholders at a local level. Our success relies on executing a sustainable water management strategy that heavily weights social criteria.
Implications of water on your key commodities/raw materials	Relevant, always included	Devon receives goods and services from a variety of suppliers with access to materials from around the world, which mitigates risks associated with regional water stress. However, potential changes in availability of raw materials has directed Devon’s investment in research and development opportunities. Devon is a founding member of the Energy Water Initiative, which looks to develop and share information about using alternative sources of water for well completion activities.

Water-related regulatory frameworks	Relevant, always included	Devon's participation in business and industry associations, trade groups and advocacy organizations allows us to stay apprised of current and evolving regulations.
Status of ecosystems and habitats	Relevant, always included	Ecosystems and habitats are assessed during our Pre-Construction Environmental Assessments. 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.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Access to fresh water for providing water supply, adequate sanitation and hygiene (WASH) facilities at our field office locations is evaluated.
Other contextual issues, please specify	Relevant, always included	Expectations for future trends in water use, including technology advancements, are also assessed.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	We consider the evolving concerns, feedback, and requirements of our customers and counterparts.
Employees	Relevant, always included	Our employees are engaged with water issues as they pertain to our business and our industry.
Investors	Relevant, always included	We take opportunities to answer questions and communicate on water issues to the investment community.
Local communities	Relevant, always included	We consider the needs of the communities that surround our operations.
NGOs	Relevant, always included	While NGOs are not directly factored into Devon's water risk assessments, we do address issues they raise as part of our assessments.

Other water users at a basin/catchment level	Relevant, always included	We consider the needs of the communities that surround our operations.
Regulators	Relevant, always included	Meeting regulatory requirements and working with regulators is necessary for our business. Devon meets or exceeds all applicable regulatory guidelines.
River basin management authorities	Relevant, always included	When water withdrawals are made from surface waters, coordination with the relevant agency is necessary for permitting.
Statutory special interest groups at a local level	Relevant, always included	We consider the needs of the communities that surround our operations.
Suppliers	Relevant, always included	We obtain our commodities and raw materials through a market that can expand across the global economy. Gaps can develop with any supplier for a variety of reasons, including water; however, we are in a position to adjust to supply gaps through working within the market to obtain the materials required by our ongoing operations.
Water utilities at a local level	Relevant, always included	We consider the needs of the communities that surround our operations.
Other stakeholder, please specify	Relevant, sometimes included	We consider other stakeholders based on local needs.

W3.3d

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

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

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

Water-related public policy issues are integrated into Devon's internal processes. In order to ensure that the company maintains strong internal alignment and focus, a cross-functional coordination team of subject-matter experts works closely to identify, monitor, and evaluate environmental-related policy, regulatory, and legislative risks. The team engages in ongoing discussions and meets regularly to ensure Devon stays apprised of any developments and can engage thoughtfully and constructively with its trade associations and other external stakeholders.

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

Devon analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development. This analysis considers the likelihood of those events occurring and how Devon could mitigate the potential impact of those events. For example, Devon has invested significant capital in developing technologies for using alternative sources of water, which will help to improve our ability to respond to lack of fresh water availability. In the Delaware Basin in arid southeastern NM, we recently brought online our ninth water treatment facility to expand our ability to recycle and reuse water in our operations. From 2015 to 2019, we have reused approximately 38 million barrels of water.

Moreover, Devon has a robust emergency preparedness program designed to ensure Devon is prepared to respond to weather events, operational incidents, supply disruptions, and other emergencies that could affect our employees, communities, assets, business, and the environment. 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. 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. Devon advocates for strong emergency management capabilities at the federal level. The head of our emergency management team previously served as the assistant chair for the Oil and Natural Gas Subsector Coordinating Council and rotated 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.

W4. Risks and opportunities

W4.1

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

Yes, only within our direct operations

W4.1a

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

Devon is a public company and, as such, adheres to the SEC's rules, regulations and guidance regarding the disclosure of material information, including risks and opportunities. Material information includes information to which there is a substantial likelihood that a reasonable investor would attach importance in determining whether to buy or sell the securities registered.

W4.1b

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

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	0	Less than 1%	While Devon has identified potential water-related risks, existing facilities and wells are generally not exposed to water management or supply risks that could have a substantive financial or strategic impact on our business.

W4.1c

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

W4.2

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

Country/Area & River basin

United States of America

Other, please specify

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

Type of risk & Primary risk driver

Regulatory

Other, please specify

Potential restrictions in access to, or disposal of, water

Primary potential impact

Increased operating costs

Company-specific description

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

In recent years, various federal agencies have asserted regulatory authority over certain aspects of the hydraulic fracturing process. For example, the EPA has issued regulations under the federal Clean Air Act establishing performance standards for oil and gas activities, including standards for the capture of air emissions released during hydraulic fracturing, and it finalized in 2016 regulations that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. The EPA also released a report in 2016 finding that certain aspects of hydraulic fracturing, such as water withdrawals and wastewater management practices, could result in impacts to water resources. The BLM previously finalized regulations to regulate hydraulic fracturing on federal lands but subsequently issued a repeal of those regulations in 2017. Moreover, several states in which we operate have adopted, or stated intentions to adopt, laws or regulations that mandate further restrictions on hydraulic fracturing, such as requiring disclosure of chemicals used in hydraulic fracturing and imposing more stringent permitting, disclosure and well-construction requirements on hydraulic fracturing operations. In addition, an election-cycle narrative has emerged in 2020 suggesting government-imposed restrictions on hydraulic fracturing.

It is possible that any such restrictions, whether related to hydraulic fracturing or other aspects of our operations, may particularly target industry activity on federal lands, which could adversely impact our operations in the Delaware and Powder River Basins, as well as other areas where we operate under federal leases. As of December 31, 2019, approximately 20% of our total leasehold resides on federal lands, and approximately 40% and 60% of our leasehold in the Delaware and Powder River Basins, respectively, resides on federal lands. Devon has been actively building its inventory of federal permits as part of its risk-management strategy for the next presidential term. We expect to have more than 550 federal permits approved by this fall, which will cover 75% of desired activity over the next four years.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

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

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Devon began recycling water in 2004 in our first U.S. shale play, the Barnett Shale in north Texas, and we have been building a track record of water conservation ever since. We have collaborated with stakeholders in government, industry and the communities where we work to proactively find ways to conserve water in our drilling and completions operations. 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.

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 our most active basin, the Delaware Basin in arid southeastern New Mexico, Devon has invested significant capital in developing technologies for decreasing our dependence on fresh water by using alternative sources of water, which improves our ability to respond under a scenario where fresh water or disposal availability is constrained. From 2015 to 2019, we have reused approximately 38 million barrels of water. We recently built and brought online our ninth water treatment facility, expanding our recycling capacity further. To store reusable water, we have built twelve impoundment basins – each of various sizes. Integral to our operations and to saving water, the impoundment basins are connected by a local pipeline network that

diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

Cost of response

0

Explanation of cost of response

The cost of management is integrated into our development plans. The cost of construction for each water treatment facility varies based upon the local market conditions and logistics.

Country/Area & River basin

United States of America

Other, please specify

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

Type of risk & Primary risk driver

Reputation & markets

Other, please specify

Changing perception of climate change

Primary potential impact

Other, please specify

Degradation in social license to operate; higher cost of capital

Company-specific description

In addition to regulatory risk, other market and social initiatives resulting from the changing perception of climate change present risks for our business, including reputational risk and higher cost of capital. For example, in an effort to promote a lower-carbon economy, there are various public and private initiatives subsidizing the development and adoption of alternative energy sources and technologies, including by mandating the use of specific fuels or technologies. These initiatives may reduce the competitiveness of carbon-based fuels, such as oil and gas. Moreover, certain financial institutions, funds and other sources of capital have begun restricting or eliminating their investment in oil and natural gas activities due to their concern regarding climate change. Such restrictions in capital could decrease the value of our business and make it more difficult to fund our operations. These and the other regulatory, social and market risks relating to climate change described above could result in unexpected costs, increase our operating expense and reduce the demand for our products, which in turn could lower the value of our reserves and have an adverse effect on our profitability, financial condition and liquidity.

In 2018, Devon conducted a materiality assessment – facilitated by a third-party sustainability consultant – to identify the most relevant and impactful performance areas for Devon and our key stakeholders on environmental, social and governance (ESG) matters, which is an emerging criteria that some investors use to evaluate their

investments. As a result of the examination, two of the material areas identified were climate change and water use and recycling. Note that the concept of materiality used in said assessment is not intended to correspond to the concept of materiality associated with the disclosures required by the U.S. Securities and Exchange Commission.

Devon's most active operating area, accounting for 39% of our net production in 2019, is located in the Delaware Basin in arid southeastern New Mexico. As part of Devon's risk management strategy, we seek opportunities to conserve, reuse, and recycle as much water as we can. We also strive to engage with our stakeholders to build relationships founded in trust and cooperation.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

We are unable to speculate on the future actions of stakeholders and/or the financial markets. Accordingly, we are unable to quantify a specific financial impact that a degradation to our social license to operate would have on our business.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Water conservation, including reuse and recycle, is important to Devon's stakeholders and vital to our operations and social license to operate. Devon began recycling water in 2004 in our first U.S. shale play, the Barnett Shale in north Texas, and we have been building a track record of water conservation ever since. In the Delaware Basin, Devon has invested significant capital in developing technologies for decreasing our dependence on fresh water by using alternative sources of water. From 2015-19, we have reused 38 million barrels of water and recently brought online our ninth water treatment facility. To store reusable water, we have built twelve impoundment basins

that are connected by a local pipeline network, which diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

Every day, Devon employees engage with a variety of stakeholders, including our employees and their families, shareholders, neighbors, landowners, mineral-rights holders, policymakers, lawmakers, suppliers, vendors and service companies. We place a high priority on our commitment to work together to find solutions benefiting the stakeholders and communities where we operate.

Devon’s Environmental, Social and Governance Steering Committee ensures that our senior leaders are focused, informed and engaged on ESG matters that influence our business planning, strategy and operations. Devon conducts investor outreach throughout the year to ensure that management and the Board understand the compensation issues that matter to Devon’s stockholders. During 2019, the Company contacted a majority of its 50 largest stockholders and had productive interactions related to ESG performance with many stockholders, both inside and outside of that group, including several in-person meetings.

In order to demonstrate our ongoing commitment to accountability and transparency in reporting our ESG performance to our stakeholders, Devon publishes an annual Sustainability Report covering the most material policies, programs, and performance related to our ESG efforts, including water management. Devon has increased participation in external surveys and questionnaires. Some of the surveys that Devon's participates in include CDP, Sustainalytics, MSCI, ISS, RobecoSAM, JUST Capital and VigeoEires. Devon's participation in these surveys and questionnaires also enables us to stay informed on key issues that are important to our stakeholders.

Cost of response

0

Explanation of cost of response

The cost of response is noted as zero, because management costs are incorporated into our cost structure.

W4.2c

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	We obtain our commodities and raw materials through vendors in a market that can expand across the global economy. Gaps can develop with any supplier for a variety of reasons; however, we are in a position to adjust to supply gaps through working within the market to obtain the materials required by our ongoing operations.

		<p>Moreover, Devon has invested significant capital in developing technologies for decreasing our dependence on fresh water and for using alternative sources of water, which improves our ability to respond under a scenario where fresh water availability or disposal options are constrained.</p>
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W4.3

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

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

W4.3a

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

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Water conservation, including reuse and recycle, is important to Devon's stakeholders and vital to our operations and social license to operate. In 2018, Devon conducted a materiality assessment - facilitated by a third party sustainability consultant - to identify the most relevant and impactful performance areas for Devon and our key stakeholders on ESG matters, which is an emerging criteria that some investors use to evaluate their investments. As a result of the examination, one of the top material areas identified was water use and recycling. Note that the concept of materiality used in said assessment is not intended to correspond to the concept of materiality associated with the disclosures required by the U.S. Securities and Exchange Commission.

In some of Devon's operating areas, water users are competing for limited supplies, so we seek opportunities to conserve, reuse, and recycle as much water as we can. For example, Devon's most active operating area, accounting for 39% of our net production in 2019, is located in the Delaware Basin in arid southeastern New Mexico.

Devon began recycling water in 2004 in our first U.S. shale play, the Barnett Shale in north Texas, and we have been building a track record of water conservation ever since. In the Delaware Basin, Devon has invested significant capital in developing technologies for decreasing our dependence on fresh water by using alternative sources of water, which improves our ability to respond under a scenario where fresh water or disposal availability is constrained. From 2015 to 2019, we have reused approximately 38 million barrels of water. We recently built and brought online our ninth water treatment facility,

expanding our recycling capacity further. Our water recycling strategy also includes connecting more third parties to our system, which allows us to increase the volumes of recycled water used in our operations.

To store reusable water, we have built twelve impoundment basins of various sizes. Integral to our operations and to saving water, the impoundment basins are connected by a local pipeline network that diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

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

Type of opportunity

Markets

Primary water-related opportunity

Strengthened social license to operate

Company-specific description & strategy to realize opportunity

Water conservation, including reuse and recycle, is important to Devon's stakeholders and vital to our operations and social license to operate. In 2018, Devon conducted a materiality assessment - facilitated by a third party sustainability consultant - to identify the most relevant and impactful performance areas for Devon and our key stakeholders on ESG matters, which is an emerging criteria that some investors use to evaluate their investments. As a result of the examination, one of the top material areas identified was water use and recycling. Note that the concept of materiality used in said assessment is not intended to correspond to the concept of materiality associated with the disclosures required by the U.S. Securities and Exchange Commission.

Devon employees engage with stakeholders 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. Devon's Environmental, Social and Governance Steering Committee ensures that our senior leaders are focused, informed and engaged on ESG matters that influence our business planning, strategy and operations.

Devon conducts investor outreach throughout the year to ensure that management and the Board understand the compensation issues that matter to Devon's stockholders. During 2019, the Company contacted a majority of its 50 largest stockholders and had productive interactions related to ESG performance with many stockholders, both inside and outside of that group, including several in-person meetings.

In order to demonstrate our ongoing commitment to accountability and transparency in reporting our ESG performance to our stakeholders, Devon publishes an annual Sustainability Report covering the most material policies, programs, and performance related to our ESG efforts, including water management. Devon has increased participation in external surveys and questionnaires. Some of the surveys that Devon's participates in include CDP, Sustainalytics, MSCI, ISS, RobecoSAM, JUST Capital and VigeoEires. Devon's participation in these surveys and questionnaires also enables us to stay informed on key issues that are important to our stakeholders.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

We are unable to speculate on the future actions of stakeholders and/or the financial markets. Accordingly, we are unable to quantify a specific financial impact that a change to our social license to operate would have on our business.

W6. Governance

W6.1

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

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or	Please see Devon's Sustainability Report for an overview of Devon's water management practices, including Devon's water principles – stakeholder engagement, water management planning, technology evaluation and deployment, and best-practices development. https://www.devonenergy.com/documents/Sustainability/2019-PDF-Sections/DVN_SR19_0_FULL-REPORT.pdf  1

		collective action	
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 ¹Devon Energy Corporation 2019 Sustainability Report.pdf

W6.2

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

No

W6.2c

(W6.2c) Why is there no board-level oversight of water-related issues and what are your plans to change this in the future?

	Primary reason	Board level oversight of water-related issues will be introduced in the next two years	Please explain
Row 1	Devon's Executive Vice President of Exploration & Production oversees our environmental programs and performance, which are evaluated by the Devon Board of Directors.	No	<p>Devon has a strong organization managing our environmental performance.</p> <p>Devon's Board of Directors has the responsibility to monitor and oversee the Company's exposure to risk, which includes determining whether the company's risk-management programs are appropriately designed and implemented to address our material risks - including those related to operational and environmental, health, and safety (EHS) matters.</p> <p>Our Executive Vice President of Exploration & Production oversees our environmental programs and performance, which are evaluated by Devon's Board of Directors.</p> <p>In order to provide support for Devon's ongoing ESG efforts, executive leadership established an ESG Steering Committee, which supports Devon's ongoing commitment to EHS, sustainability, corporate responsibility and governance by assisting senior management in: (a) setting and implementing strategy relating to ESG</p>

			<p>matters including climate change; (b) overseeing communications with employees, investors, and other stakeholders with respect to ESG matters; and (c) monitoring and anticipating developments relating to, and improving the company's understanding of, ESG matters. The work of the ESG Steering Committee is frequently reported to the Board of Directors and/or executive leadership.</p> <p>The cross-functional EHS Council works closely with the ESG Steering Committee, senior leaders, and the business units to set our environmental strategy and closely monitor its implementation and performance.</p>
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W6.3

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

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

Other C-Suite Officer, please specify
Executive Vice President, Exploration and Production

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Executive Vice President of Exploration & Production is the individual with responsibility to assess and manage environmental-related risks and opportunities with assistance from Devon's Chief Legal and Administrative Officer. The rationale for choosing these individuals includes their visibility as members of the executive committee engaged in frequent interactions with the Board of Directors.

Both individuals are active members of Devon's Environmental, Social and Governance (ESG) Steering Committee, which supports Devon's ongoing commitment to environmental health and safety, sustainability, corporate responsibility and governance by assisting senior management in: (a) setting and implementing strategy relating to ESG matters including climate change; (b) overseeing communications with employees, investors, and other stakeholders with respect to ESG matters; and (c) monitoring and

anticipating developments relating to, and improving the company's understanding of, ESG matters.

W6.4

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

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

W6.4a

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

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Corporate executive team	Other, please specify Continuous improvement in environmental, health, and safety performance, including Devon's lost spill rate	Devon's corporate goals include continuous improvement in environmental, health, and safety performance. Incorporated within this goal is a focus to improve Devon's lost spill rate. Devon's corporate goals are a component of executive and employee compensation. This goal further demonstrates Devon's commitment to responsible water management and helps position this effort as a high priority within the organization.
Non-monetary reward			

W6.5

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

Yes, direct engagement with policy makers

Yes, trade associations

W6.5a

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

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

Water-related public policy issues are integrated into Devon's internal processes. In order to ensure that the company maintains strong internal alignment and focus, a cross-functional coordination team of subject-matter experts works closely to identify, monitor, and evaluate environmental-related policy, regulatory, and legislative risks. The team engages in ongoing discussions and meets regularly to ensure Devon stays apprised of any developments and can engage thoughtfully and constructively with its trade associations and other external stakeholders.

W6.6

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

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

 Devon Energy Corporation 2019 Sustainability Report.pdf

 Devon Energy Corporation Annual Report on Form 10-K for Year Ended 12-31-2019.pdf

 Please see Devon Energy's Annual Report on Form 10-K for a detailed discussion of risk factors, which include restrictions in access to, or disposal of, water used or produced in drilling and completion operations.

Please see Devon's 2019 Sustainability Report for a detailed overview of Devon's environmental operations, including Devon's water management, waste management, spill prevention, and well safety practices.

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Devon evaluates water management requirements for each business unit under multiple development scenarios.

Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Water management strategies are developed based on the evaluations for each business unit under multiple development scenarios.
Financial planning	Yes, water-related issues are integrated	5-10	The capital and operating costs associated with water management are key components of Devon's budget planning process.

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

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

Water-related OPEX (+/- % change)

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

Please explain

W7.3

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

	Use of climate-related scenario analysis	Comment
Row 1	Yes	Yes, qualitative and quantitative. Devon evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modeled through 2050. Even in such carbon-constrained scenarios, oil and natural gas remain a crucial

	<p>component for fulfilling global energy demand and the model results suggest that Devon’s current portfolio is likely to be resilient to these potential impacts. Accordingly, Devon remains confident that its asset portfolio is expected to (i) remain economically profitable in a range of future climate change scenarios and (ii) provide oil and natural gas in an environmentally responsible way.</p> <p>Devon’s risk management includes formal and ongoing consideration of the quantifiable effects of climate change on Devon’s portfolio. Devon also analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development.</p>
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W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization’s response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	IEA Sustainable Development Scenario	<p>Devon’s Climate Change Assessment Report addressed other potential climate-related risks, including a section on physical climate risks as shown below.</p> <p>Oil and natural gas extraction operations have been successful in some of the most extreme environments across the planet. In the areas where Devon operates and plans to operate, we are confident in our ability to continue to operate in accordance with our plans. Devon, however, analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development. This analysis considers</p>	<p>Devon has invested significant capital in developing technologies for using alternative sources of water, which will help to improve our ability to respond to lack of fresh water availability. Devon also plans in the medium term for potential infrastructure shut downs due to a variety of factors, and appropriate responses to each of them. This evaluation considers floods, tornados, hurricane risk, and other potential physical risks to infrastructure and Devon’s assets.</p>

		the likelihood of those events occurring and how Devon could mitigate the potential impact of those events.	
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W7.4

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

Row 1

Does your company use an internal price on water?

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

Please explain

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

W8. Targets

W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals	Goals are monitored at the corporate level	<p>Devon has a strong commitment to managing our environmental performance.</p> <p>Devon chartered the ESG Steering Committee, comprised of senior leaders throughout the organization, to set strategy and monitor performance on environmental issues, including water-related issues. Subsequently, the cross-functional EHS Council, comprised of leaders from Operations, Business Units, and EHS, was chartered to work closely with the ESG Steering Committee, senior leaders, and business units to ensure implementation of our strategy in order to continuously improve our environmental performance and to protect Devon's social license to operate. The EHS Council establishes and proposes EHS goals, tracks performance, and evaluates the effectiveness of Devon's EHS policies, protocols, practices, and performance.</p>

W8.1b

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

Goal

Other, please specify

Continuously improve in environmental, health and safety performance

Level

Company-wide

Motivation

Water stewardship

Description of goal

Devon's 2019 corporate goals included a goal to continuously improve in environmental, health and safety performance, including improving our lost spill rate.

Baseline year

2018

Start year

2019

End year

2019

Progress

Please see Devon's 2020 Proxy Statement for a discussion of performance to goals for 2019. Highlights include:

- For our operations in the Delaware Basin, we have increased our volume of reused water tenfold since 2015.
- We are keenly focused on preventing spills. In 2018, the most recent year for which data is available, we lost 0.0011% of barrels produced, continuing a multi-year trend.
- In June 2019, Devon took a significant step in our ESG efforts by establishing a target to reduce methane emissions for oil and natural gas production. Devon has committed to achieve a methane-intensity rate of 0.28% or lower by 2025.
- We reduced methane emissions by 20% over the 2016-2018 timeframe, the most recent period for which data is available.
- In late 2018, we published a climate change assessment report that shows Devon's assets are likely to be well-positioned to remain profitable, even in an aggressive low-carbon scenario.
- In 2019, we ramped up our evaluations of new emissions-detection technologies, including optical gas imaging cameras, sensor-based continuous monitoring, facility flyovers, and even remote detection via satellite.

Goal

Other, please specify

Increase stakeholder engagement, alignment and support to maintain or improve the public policy and business environment in which Devon operates

Level

Company-wide

Motivation

Corporate social responsibility

Description of goal

Devon's 2019 corporate goals included a goal to increase stakeholder engagement, alignment, and support to maintain or improve the public policy and business environment in which Devon operates.

Baseline year

2018

Start year

2019

End year

2019

Progress

Please see Devon's 2020 Proxy Statement for a discussion of performance to goals for 2019. We further developed Devon's reporting on ESG matters and proactively engaged with our internal and external stakeholders to improve ESG performance.

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. Devon conducts investor outreach throughout the year to ensure that management and the Board understand the compensation issues that matter to Devon's stockholders. During 2019, the Company contacted a majority of its 50 largest stockholders and had productive interactions related to ESG performance with many stockholders, both inside and outside of that group, including several in-person meetings. Devon participates in a plethora of ESG-related surveys, including surveys with ISS, MSCI, Sustainalytics, JUST Capital, RobecoSAM and VigeoEires to name a few. This allows us to provide transparency to our stakeholders, as well as stay informed on several issues that are important to Devon's stakeholders.

W9. Verification

W9.1

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

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

W10. Sign off

W-FI

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

W10.1

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

	Job title	Corresponding job category
Row 1	Vice President, Operations and EHS	Other, please specify Vice President, Operations and EHS

W10.2

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

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below