

Welcome to your CDP Water Security Questionnaire 2021

W0. Introduction

W0.1

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

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

On January 7, 2021, Devon and WPX Energy, Inc. (WPX) completed an all-stock merger of equals. WPX is an oil and gas exploration and production company with assets in the Delaware Basin in Texas and New Mexico and the Williston Basin in North Dakota. Financial and operational performance data, such as production, revenue and water volumes, provided in this document exclude amounts related to WPX's assets unless otherwise noted due to the Merger closing subsequent to December 31, 2020. However, certain prospective information included within this document is reflective of the post-merger company.

This questionnaire includes "forward-looking statements" as defined by the Securities and Exchange Commission (the "SEC"). Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions. All statements, other than statements of historical facts, included in this questionnaire that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are not promises or guarantees of future conduct or policy and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Consequently, Devon's actual activities and future results, including the development, implementation or continuation of any program, target or initiative, may differ materially in the future due to a number of factors, including, but not limited to, the risk that Devon is unable to implement the

new technologies and practices contemplated to achieve such programs, targets or initiatives successfully or on a timely basis; the risk that such technologies and practices result in higher than anticipated costs or cause operational disruptions that adversely impact Devon's financial performance; and the other risks identified in Devon's 2020 Annual Report on Form 10-K and its other filings with the SEC.

Additional risks are identified in our Form 10-K and other filings with the SEC. The forward-looking statements in this questionnaire are made as of the date of submittal of our responses to this questionnaire, even if subsequently made available by Devon on 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, 2020 | December 31, 2020 |

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 in the reporting year. |
| 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 in the reporting year. |
| 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 in the reporting year. |

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 | 8,489 | Lower | Devon’s total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes. Devon’s total water use decreased in 2020, primarily driven lower by decreased drilling and completions activities. |
| Total discharges | | | |
| Total consumption | 8,489 | Lower | Devon’s total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes. Devon’s total water use decreased in |

| | | | |
|--|--|--|--|
| | | | 2020, primarily driven lower by decreased drilling and completions activities. |
|--|--|--|--|

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 | 8,489 | Lower | Devon's total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes. Devon's total water use decreased in 2020, primarily driven lower by decreased drilling and completions activities. |
| Total discharges – upstream | | | |
| Total consumption – upstream | 8,489 | Lower | Devon's total water use varies with activity levels, targeted formations, and lateral lengths and includes fresh, non-fresh, and recycled water volumes. Devon's total water use decreased in 2020, primarily driven lower by decreased drilling and completions activities. |

W1.2d

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

| Withdrawals are from areas with water stress | % withdrawn from areas with water stress | Comparison with previous reporting year | Identification tool | Please explain |
|--|--|---|---------------------|----------------|
| | | | | |

| | | | | | |
|-------|-----|------|-------|--------------|--|
| Row 1 | Yes | 1-10 | Lower | WRI Aqueduct | There are multiple, varied definitions and interpretations of “water stress.” Using the World Resource Institute’s Aqueduct Water Risk Atlas and its corresponding definition of baseline water stress, approximately 8% of Devon-operated wells as of December 31, 2020 were located in “high” or “extremely high” areas of baseline water stress. If limited to Devon-operated wells for which water was consumed during completions operations over the past five years, 10% of Devon-operated wells as of December 31, 2020 were located in “high” or “extremely high” areas of baseline water stress. The % withdrawn from stressed areas assumes the water was withdrawn at or near the well location. |
|-------|-----|------|-------|--------------|--|

W1.2h

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

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Please explain |
|--|--------------|--------------------------|---|--|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Relevant | 106 | Lower | Surface water is utilized in the Mid-Continent (Oklahoma). A decrease in water usage can be attributed to less 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 | 4,802 | Lower | Groundwater is typically utilized in the Mid-Continent (Texas), Rockies, and in part in the Delaware Basin. Much of the groundwater used is considered brackish. The decrease in non-renewable groundwater can be attributed to higher volumes of produced water being used for completion operations than in the previous year. |
| Produced/Entrained water | Relevant | 3,581 | 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 at a higher volume than the previous year, which decreased the amount of freshwater used in our operations. |
| 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 small volumes of 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. |

W1.2j

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

| | Relevance of treatment level to discharge | Please explain |
|--|---|---|
| Tertiary treatment | Not relevant | |
| Secondary treatment | Not relevant | <p>Devon discharges small volumes of treated produced water in the Rockies Business Unit in accordance with applicable state and federal laws and regulations.</p> <p>In 2020, Devon utilized secondary treatment of our discharged water in Wyoming. The discharged produced water was first run through a separator to remove most of the hydrocarbons and solids. Once separated, the water is piped to a series of settling ponds. Surface floating aeration systems or aeration oxidizers are installed to supersaturate influent water as it enters the settling ponds. This helps to ensure the water is appropriately agitated and aerated prior to discharge. Water quality sampling is routinely performed to ensure the effluent water meets applicable standards.</p> |
| Primary treatment only | Not relevant | |
| Discharge to the natural environment without treatment | Not relevant | |
| Discharge to a third party without treatment | Not relevant | |
| Other | Not relevant | |

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)

0.04

Numerator: water aspect

Other, please specify

Total water consumed (m3)

Denominator

Barrel of oil equivalent

Comparison with previous reporting year

Lower

Please explain

In 2020, Devon's total water usage intensity, including fresh, non-fresh, and recycled water volumes, was 0.04 m³/boe, trending down from 0.06 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

76-100

% of total procurement spend

76-100

Rationale for this coverage

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

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

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

Impact of the engagement and measures of success

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

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

operations. We believe that adopting this target is a key step to better understand and influence the performance of our value chain partners.

Comment

W1.4b

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

Type of engagement

Onboarding & compliance

Details of engagement

Other, please specify

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

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

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

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

Contractors are responsible for having EHS programs that meet or exceed all federal, state and local laws, rules, and regulations, as well as Devon's standards and protocols such as the Spill Prevention Countermeasures and Control (SPCC) Protocol. Devon assesses, among other things, whether a company has a written environmental program in place, has received any citations from a regulatory agency, and has had hazardous material releases or agency reportable releases – including both air or spill releases.

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

Impact of the engagement and measures of success

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

Comment

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

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

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

W1.4c

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

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

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

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

W2. Business impacts

W2.1

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

No

W2.2

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

No

W3. Procedures

W-OG3.1

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

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

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

W-OG3.1a

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

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

| | | | | |
|---|-----------------|--------------------------|--|--|
| <p>Other, please specify</p> <p>All well fluids</p> | <p>Upstream</p> | <p>General pollution</p> | <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 of the well pad. Both desktop and field assessments are performed to identify potential waters of the U.S., and other non-jurisdictional drainage features. We can avoid or mitigate potential environmental impacts through pad placement and engineering controls.</p> <p>Once the pad is built, the planning and design of the wellbore, including the selection of equipment, materials and drilling techniques reduce safety and environmental impacts. We design our wells to meet high standards for the strength of the steel pipes that form the well, 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</p> |
|---|-----------------|--------------------------|--|--|

| | | | | |
|---|----------|-------------------|--|---|
| | | | | <p>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.</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.</p> |
| <p>Other, please specify</p> <p>All well fluids</p> | Upstream | General pollution | <p>Compliance with effluent quality standards</p> <p>Measures to prevent spillage, leaching and leakages</p> <p>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 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</p> |

| | | | | |
|--|--|--|--|---|
| | | | | <p>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> |
|--|--|--|--|---|

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. As a founding member of the Energy Water Initiative, and as a participant of the New Mexico Produced Water Consortium, we study, communicate and improve lifecycle water use and management collaboratively with academia, policymakers, and other oil and natural gas companies that share our commitment to conservation. |
| 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 developments where climate is concerned, we are not in a position to speculate on and act on potential risks without appropriate information to justify the action.

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

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

potential impact of same, and develops recommendations and strategies to proactively mitigate business risks that may be presented.

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

Devon also 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. Oil and natural gas extraction operations have been successful in some of the most extreme environments across the planet, and in the areas where Devon operates and plans to operate, we are confident in our ability to continue to operate during periods of extreme weather or natural disasters. Currently, and in the short, medium, and long-term time frames, Devon does not foresee risks associated with acute or chronic physical changes due to climate change impacting our business any more or less than the status quo. In part, this is because Devon has experience managing extreme weather and natural disasters. Examples include Devon's adept response to Hurricane Harvey in 2017, in which as a precautionary measure the company temporarily suspended operations and shut-in production across our entire Eagle Ford position in south Texas during an unprecedented disruption of transportation and logistics infrastructure in the energy sector in the U.S. Gulf Coast region. In conducting capabilities-based planning, rather than threat-based planning, Devon employs a process for response that can be implemented regardless of the type of threat. Capabilities-based planning has been the company's lynchpin for success in maintaining business continuity through a variety of difficult emergencies, including Hurricane Harvey in 2017, strong winds that caused a manned window washing basket to swing out of control in 2019 and the ongoing COVID-19 pandemic. The centralized nature of Devon's emergency response system ensures that our program and response are consistent across the company and cover all of our assets, regardless of whether an asset is considered to be in a hazard-prone area or not.

In our most active basin, the Delaware Basin located in arid southeastern New Mexico, Devon has invested significant capital in developing technologies for decreasing our dependence on fresh water by using alternative sources of water. This investment improves our ability to respond under a scenario where fresh water or disposal availability is constrained. From 2015-2020, Devon reused over 60 million barrels of water from our water treatment facilities. Integral to operations and saving water, Devon built impoundment basins to store the reusable water, which are connected by a local pipeline network that diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

W4. Risks and opportunities

W4.1

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

Yes, only within our direct operations

W4.1a

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

Devon is a public company and, as such, adheres to the SEC's rules, regulations and guidance regarding the disclosure of material information, including risks and opportunities. Material information includes information to which there is a substantial likelihood that a reasonable investor would attach importance in determining whether to buy or sell the securities registered. Some impacts may fall below a prescriptive dollar amount, but could still be material and have a substantive impact according to this definition.

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 Devon's ability to either source or dispose of water may result in higher operating costs.

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

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, 2020, less than 20% of Devon's total post-merger leasehold resides on federal land. In the Delaware Basin of New Mexico and Texas, Devon's most active operating area, 65% of leasehold resides on non-federal land.

In addition to risk driven by regulations around water use and disposal, Devon recognizes the need to mitigate physical risks associated with regional water stress. By working to identify and develop alternative sources of water for operational activities, we

hope to reduce our dependence on fresh water and improve our ability to respond in a scenario where fresh water or disposal availability is constrained.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact

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

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

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

Wherever possible, Devon works to use water in our operations that would not be consumed for drinking and other public uses and to use recycled produced water to avoid freshwater use in areas of drilling and production activity. Every gallon of produced, recycled, brackish, or non-potable water that Devon uses in our operations reduces our consumption of fresh water. In addition to water management, Devon also takes a proactive approach to planning. In all of our project designs, Devon considers access to and the cost of water, alongside the costs of methane and GHG management. Such costs are incorporated into the characterizations of an asset, which may then inform the overall allocation of capital to an area. If costs are too burdensome, the

company may consider directing capital to other assets. This proactive approach helps Devon mitigate both the physical and transition risks related to water access.

In our most active basin, the Delaware Basin located in arid southeastern New Mexico, Devon reused over 60 million barrels of water from our water treatment facilities from 2015-2020. Integral to operations and saving water, Devon built impoundment basins to store the reusable water, which are connected by a local pipeline network that diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

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 and ESG

Primary potential impact

Other, please specify

Changing perception of climate change and ESG may result in reputational risk and higher cost of capital

Company-specific description

Policy makers and regulators at both the U.S. federal and state levels have already imposed, or stated intentions to impose, laws and regulations designed to quantify and limit the emission of greenhouse gases. With respect to more comprehensive regulation, policy makers and political leaders have made, or expressed support for, a variety of proposals, such as the development of clean energy standards or carbon tax programs. In addition, President Biden has made climate change a priority of his administration, and he previously released an energy plan calling for a number of sweeping changes to address climate change, including, among other measures, a national mobilization effort to achieve net-zero emissions for the U.S. economy by 2050.

In addition to regulatory risk, other market and social initiatives resulting from the changing perception of climate change present risks for our business. For example, in

an effort to promote a lower-carbon economy, there are various initiatives subsidizing the development and adoption of alternative energy sources and technologies, including the mandate to use specific fuels or technologies. These initiatives may reduce the competitiveness of carbon-based fuels, such as oil and gas. Moreover, an increasing number of financial institutions, funds and other sources of capital have begun restricting 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.

Several states where Devon operates – including New Mexico, which accounted for 49% of Devon’s production as of December 31, 2020 – have already imposed, or stated intentions to impose, laws or regulations designed to reduce methane emissions from oil and natural gas exploration and production activities. Companies that fall behind with complying with such laws and regulations risk reputational harm, among other things.

Given the potential impact to Devon assets, we receive questions from stakeholders on how our assets could be affected by regulatory, social, and market efforts to mitigate climate change. These topics help guide our conversations with shareholders, including BlackRock and Climate Action 100+.

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

We are unable to speculate on the future actions of shareholders and/or the financial markets. Accordingly, we are unable to quantify a specific financial impact to the potential for a higher cost of capital in the future.

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Devon's ESG Steering Committee assists senior management in setting and implementing strategy relating to ESG matters, including monitoring climate change and ESG matters, and overseeing communications with employees, investors, and other stakeholders with respect to ESG matters.

Devon has ongoing engagements on climate issues with a wide variety of partners along the value chain, ranging from stockholders, to non-profits such as the Environmental Defense Fund and industry associations such as the American Petroleum Institute. We engage with state and federal agencies and agency partners including the U.S. Bureau of Land Management and U.S. Environmental Protection Agency. Devon works with environmental-focused groups including The Environmental Partnership, the Energy Water Initiative, and the New Mexico Produced Water Consortium.

Devon employees engage with stakeholders to build relationships founded in trust and cooperation. Devon places 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 and sustainability issues that matter to Devon's stockholders. During 2020, we contacted a majority of our 50 largest stockholders and had productive interactions with many stockholders, both inside and outside of that group. In addition, Devon's participation in several ESG-related surveys – including ISS, MSCI, Sustainalytics, JUST Capital, RobecoSAM and VigeoEires, among others – has allowed Devon to provide transparency to our stakeholders, as well as stay informed on key issues that are important to Devon's stakeholders.

These engagements help inform Devon's strategies to proactively mitigate the risk that climate change and ESG poses to our business. For example, following the merger with WPX, Devon soon established environmental performance targets to reduce the carbon intensity of our operations (including an ambition to achieve net zero GHG emissions for Scopes 1 and 2 by 2050) and minimize freshwater use in order to mitigate elevating climate-related risk and to seize the opportunity to create long-term value for our stakeholders. This decision was informed by these engagements and others.

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 | <p>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> <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> |

W4.3

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

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

W4.3a

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

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

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

Devon has invested significant capital in developing technologies for reusing and recycling water as well as using alternative sources of water, which will help to improve our ability to respond to lack of freshwater availability. Devon's history of leadership in water conservation includes being the first company to recycle flowback and produced

water from gas wells in the Barnett Shale of north Texas in 2004 and subsequently becoming one of the largest users of treated produced water in New Mexico, where we led the effort to establish state rules to encourage the practice. In our most active basin, the Delaware Basin located in southeastern New Mexico, Devon reused over 60 million barrels of water from 2015-2020. Integral to operations and saving water, Devon built impoundment basins to store the reusable water, which are connected by a local pipeline network that diminishes the need to haul water away by truck, reducing emissions and traffic safety hazards.

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

We are looking for ways to reuse produced water that we do not need for our operations and collaborating with other organizations to better understand technologies to desalinate produced water for uses outside of the oil and gas industry. Devon's New Ventures team, established in 2021, is exploring energy transition opportunities complementary to our core business, including investment in strategic export opportunities to enhance the ultimate value of our production, electrification (including renewable-source generation), hydrogen development, carbon capture utilization and storage, liquefied natural gas opportunities, and produced water management, among others.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

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

Type of opportunity

Markets

Primary water-related opportunity

Strengthened social license to operate

Company-specific description & strategy to realize opportunity

Devon has long recognized the opportunity and importance of minimizing our environmental impact to protect our social license to operate and drive long-term value for our shareholders. Minimizing freshwater use and producing lower-carbon intensity oil and natural gas will also foster the preservation of our cost and access to capital and increased access to end user markets by proactively responding to shifting consumer preferences.

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 environmental, social and governance (ESG) matters. As a result of the examination, two of the top material areas identified were climate change and water management. The results of the assessment have been used to inform Devon's ESG-related strategy (e.g., environmental initiatives and targets), disclosures (e.g., Sustainability Report and Climate Change Assessment Report), and engagement with stakeholders (e.g., BlackRock, Climate Action 100+), including with respect to climate change and water management.

Devon employees engage with stakeholders to build relationships founded in trust and cooperation. The company places 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 and sustainability issues that matter to Devon's stockholders. During 2020, we contacted a majority of our 50 largest stockholders and had productive interactions with many stockholders, both inside and outside of that group.

These engagements help inform Devon's strategies to proactively address stakeholder concerns and create long-term value for our stakeholders. For example, following the merger with WPX, Devon soon established environmental performance targets to reduce the carbon intensity of our operations and minimize freshwater use in order to mitigate elevating environmental-related risk and to seize the opportunity to create long-term value for our stakeholders. This decision was informed by these engagements and others.

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

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.

Note that the concept of materiality referenced in the description above is not intended to correspond to the concept of materiality associated with the disclosures required by the U.S. Securities and Exchange Commission.

W6. Governance

W6.1

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

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

W6.1a

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

| | Scope | Content | Please explain |
|-------|--------------|---|--|
| Row 1 | Company-wide | Description of business dependency on water | Please see Devon’s Sustainability Report for an overview of Devon’s water management practices, including Devon’s water principles – stakeholder engagement, water management planning, technology evaluation and deployment, and best-practices development. |
| | | Description of business | https://www.devonenergy.com/documents/Sustainability/DVN_2020_SustainabilityReport.pdf Please see Devon’s announcement of our newly established environmental performance targets, including to minimize freshwater use. |

| | | | |
|--|--|--|--|
| | | <p>impact on water</p> <p>Description of water-related performance standards for direct operations</p> <p>Company water targets and goals</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> | <p>https://www.devonenergy.com/news/2021/Devon-Energy-Establishes-New-Environmental-Performance-Targets-Including-Net-Zero-GHG-Emissions</p> |
|--|--|--|--|

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 | During 2020, our Executive Vice President of Exploration & Production was responsible for our environmental programs and performance, which were evaluated by Devon's Board of Directors. | No | <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>During 2020, our Executive Vice President of Exploration & Production was responsible for our environmental programs and performance, which were evaluated by Devon's Board of Directors. Starting in 2021, that role will transition to Devon's Chief Operating Officer. Both of these roles have great visibility, with each individual sitting on the company's executive committee and having frequent interactions with the Board of Directors.</p> <p>In order to provide support for Devon's ongoing ESG efforts, executive leadership established an ESG Steering Committee to assist senior management in: (a) setting and implementing strategy relating to ESG matters; (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</p> |

| | | | |
|--|--|--|--|
| | | | frequently reported to the Board of Directors and/or executive leadership. |
|--|--|--|--|

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

During 2020, our Executive Vice President of Exploration & Production was responsible for our environmental programs and performance, which were evaluated by Devon's Board of Directors. Starting in 2021, that role will transition to Devon's Chief Operating Officer. Both of these roles have great visibility, with each individual sitting on the company's executive committee and having frequent interactions with the Board of Directors.

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, | 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 |

| | | | |
|---------------------|--|-----------------------------------|--|
| | | including Devon's lost spill rate | <p>rate. Devon's corporate goals are a component of executive and employee compensation.</p> <p>This goal further demonstrates Devon's commitment to responsible water management and helps position this effort as a high priority within the organization.</p> |
| 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 water management. The ESG Steering Committee includes representatives from across the business, including operations, communications, corporate governance, investor relations, environmental health and safety, legal and government affairs.


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

W6.6

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

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

 DVNCCAR20.pdf

 DVN_2020_SustainabilityReport.pdf

 DVN-2020-10-K.pdf

W7. Business strategy

W7.1

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

| | Are water-related issues integrated? | Long-term time 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 | <p>Yes, qualitative and quantitative. Devon evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modeled through 2050. Even in such carbon-constrained scenarios, oil and natural gas remain a crucial component for fulfilling global energy demand and the model results suggest that Devon’s current portfolio is likely to be resilient to these potential impacts. Accordingly, Devon remains confident that its asset portfolio is expected to (i) remain economically profitable in a range of future climate change scenarios and (ii) provide oil and natural gas in an environmentally responsible way.</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> |

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 discusses potential risks related to the transition to a lower-carbon economy and those posed by the physical impacts of climate change as recommended by the Task Force on Climate-related Financial Disclosures (TCFD). One potential risk assessed in the Climate Change Assessment Report is access to water.</p> <p>Devon's oil and natural gas extraction operations depend upon reliable access to, and the ability to dispose of, water used or produced in drilling and completions operations. Regulatory restrictions in Devon's ability to either source or dispose of water may result in higher operating costs.</p> <p>In addition to risk driven by regulations around water use and disposal, Devon recognizes the need to mitigate physical risks associated with regional water stress. By working to identify and develop alternative sources of water for operational activities, the company hopes to reduce its dependence on fresh water and improve its ability to respond in a scenario where fresh water or disposal availability is constrained.</p> | <p>Devon has invested significant capital in developing technologies for re-using and recycling water as well as using alternative sources of water, which will help to improve our ability to respond to lack of freshwater availability. Devon's history of leadership in water conservation includes being the first company to recycle flowback and produced water from natural gas wells in the Barnett Shale of north Texas in 2004 and subsequently becoming one of the largest users of treated produced water in New Mexico, where we led the effort to establish state rules to encourage the practice. Wherever possible, Devon works to use water in our operations that would not be consumed for drinking and other public uses and to use recycled produced water to avoid freshwater use in areas of drilling and production activity.</p> <p>In addition to water management, Devon also takes a proactive approach to planning. In all of our project designs, Devon considers access to and the cost of water, alongside the costs of methane and GHG management. Such costs are incorporated into the characterizations of an asset, which may then inform the overall allocation of capital to an area. If costs are too burdensome, the company may consider directing capital to other assets. This proactive approach helps Devon mitigate both the physical and transition risks related to water access.</p> |

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

| | | |
|--|--|--|
| | | <p>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> |
|--|--|--|

W8.1a

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

Target reference number

Target 1

Category of target

Water recycling/reuse

Level

Company-wide

Primary motivation

Water stewardship

Description of target

Following the merger with WPX, Devon established environmental performance targets focused on reducing the carbon intensity of our operations, minimizing freshwater use, and engaging constructively with our value chain. Related to water specifically, Devon established a target to advance our recycled water rate and use 90% or more non-freshwater for completions activities in our most active operating areas within the Delaware Basin.

To minimize freshwater use, Devon employs economically and operationally feasible freshwater alternatives wherever possible and has a dozen water recycling facilities throughout the basin.

Quantitative metric

Other, please specify

Increase in water use met through recycling/reuse

Baseline year

2019

Start year

Target year

% of target achieved

Please explain

The target is new (established June 2021) and was not in effect during the reporting year. Pro-forma performance, including the target baseline and 2020 performance, will be disclosed in Devon's 2021 Sustainability Report to be released Fall 2021.

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 2020 corporate goals included a goal to continuously improve in environmental, health and safety performance, including improving our lost spill rate.

Baseline year

2019

Start year

2020

End year

2020

Progress

Devon met our target on the lost spill rate. Please see Devon's 2021 Proxy Statement for a discussion of performance to goals for 2020. Environmental highlights include:

- Through expansion of our leak detection and repair program, enhanced data precision efforts and other initiatives, we achieved our target methane emissions intensity rate of 0.28% in 2019, and we remain committed to continued focus and diligence to meet or

exceed the target level in the years to come as we integrate WPX's operations and environmental data into the go-forward company.

- In late 2020, we published an updated climate change assessment report that shows Devon's assets are likely to be resilient, even in low-carbon scenarios. We sought to align the report with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- 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 and set challenging goals each year on our lost-spill rate.
- In recognition of the Company's biodiversity leadership in the Powder River Basin, the Public Lands Foundation awarded Devon its 2019 Landscape Stewardship Certificate of Appreciation, the only oil and gas company to receive the award.

Goal

Other, please specify

Internal and External Stakeholder Alignment - Develop an ESG Roadmap and publish a Climate Change Assessment Report; various measures associated with public policy related to the industry

Level

Company-wide

Motivation

Corporate social responsibility

Description of goal

Devon's 2020 corporate goals included a goal to develop an ESG Roadmap and publish a Climate Change Assessment Report.

Baseline year

2019

Start year

2020

End year

2020

Progress

During 2020, Devon achieved substantially all of the goal objectives. Please see Devon's 2020 Proxy Statement for a discussion of performance to goals for 2020.

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.

This questionnaire includes “forward-looking statements” as defined by the Securities and Exchange Commission (the “SEC”). Such statements include those concerning strategic plans, our expectations and objectives for future operations, as well as other future events or conditions. All statements, other than statements of historical facts, included in this questionnaire that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are not promises or guarantees of future conduct or policy and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Consequently, Devon’s actual activities and future results, including the development, implementation or continuation of any program, target or initiative, may differ materially in the future due to a number of factors, including, but not limited to, the risk that Devon is unable to implement the new technologies and practices contemplated to achieve such programs, targets or initiatives successfully or on a timely basis; the risk that such technologies and practices result in higher than anticipated costs or cause operational disruptions that adversely impact Devon’s financial performance; and the other risks identified in Devon’s 2020 Annual Report on Form 10-K and its other filings with the SEC.

Additional risks are identified in our Form 10-K and other filings with the SEC. The forward-looking statements in this questionnaire are made as of the date of submittal of our responses to this questionnaire, even if subsequently made available by Devon on 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.

W10.1

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

| Job title | Corresponding job category |
|-----------|----------------------------|
|-----------|----------------------------|

| | | |
|-------|---------------------------|--|
| Row 1 | Vice President, ESG & EHS | Other, please specify Vice President, ESG & 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

I have read and accept the applicable Terms