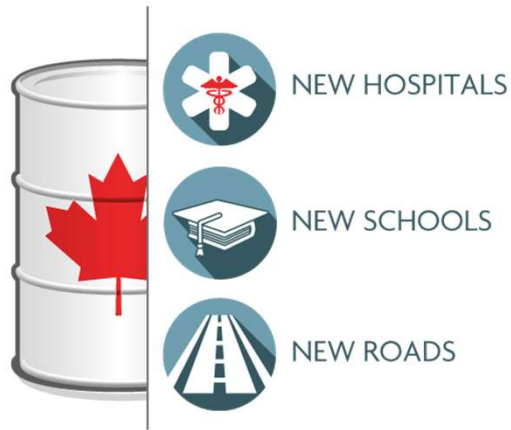
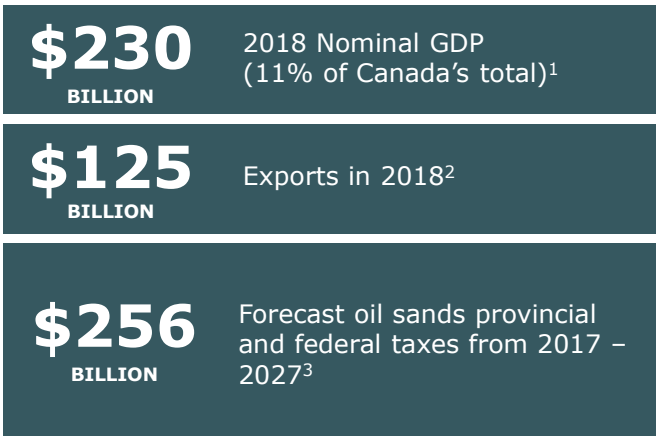




# Sustainability at Cenovus

January 2020

## Oil and gas contribution to the Canadian economy

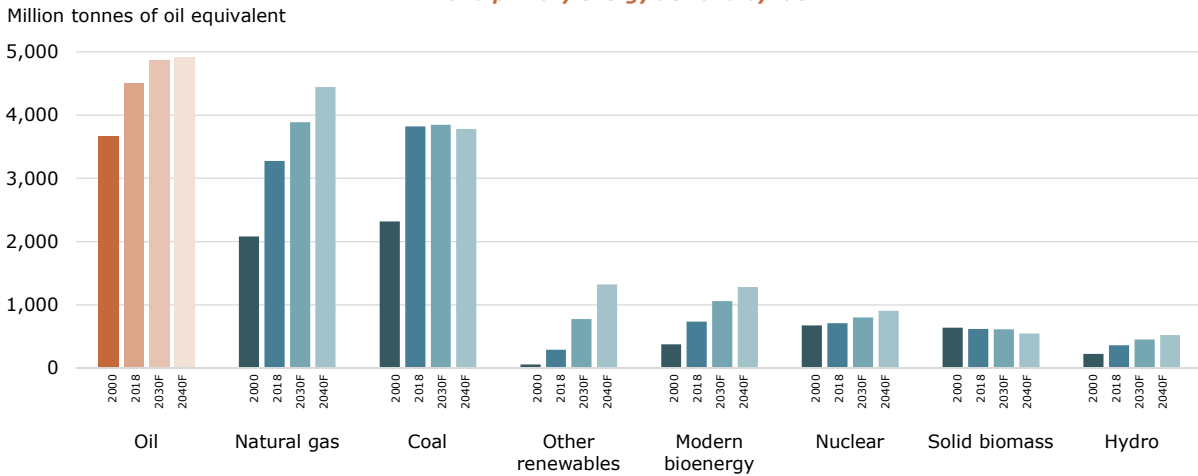


Source: 1 - Natural Resources Canada (2018), 2 - Alberta: Why Scale and Policy Matter (2019), 3 - Canadian Association of Petroleum Producers (2019)

# Global energy demand growth is an opportunity

Responsibly developed oil can be part of a low carbon energy future

*World primary energy demand by fuel*

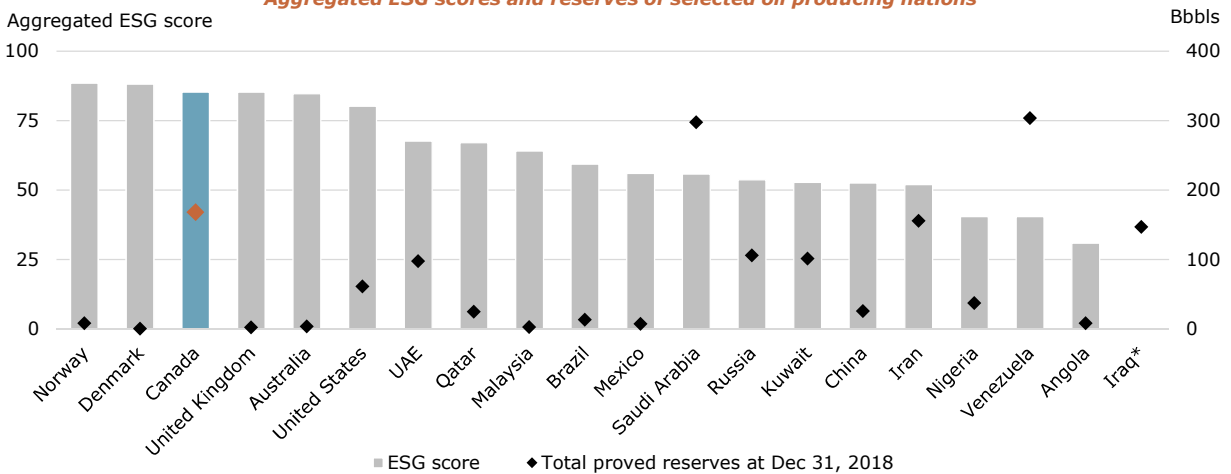


Source: IEA (2019), "World Energy Outlook 2019", World primary energy demand by fuel – Stated Policies scenario.

# More Canadian barrels are in the world's best interest

Opportunity for high ESG-ranked Canadian barrels to displace lower ESG-ranked barrels

*Aggregated ESG scores and reserves of selected oil producing nations*



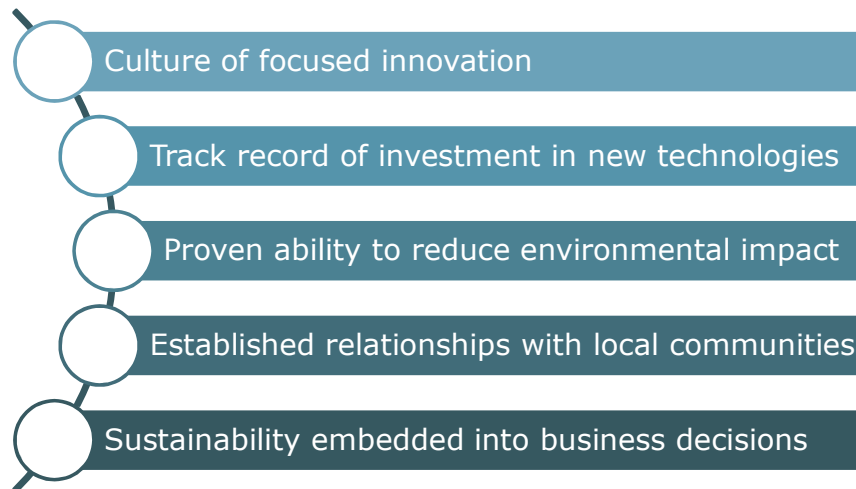
Note: \* Complete aggregated ESG data unavailable for Iraq. Sources: ESG Scores – aggregation using an equal weighting (1/3) for each of Yale Environmental Performance Index, Social Progress Index and World Bank Governance Index. Reserves - BP Statistical Review of World Energy 2019 based on government and published data.

# Cenovus's leadership in sustainability

~40 year reserve life index means sustainability is critical to our business

**Track record of sustainable development drives business resilience**

**Corporate breakeven <\$40/bbl WTI**



Note: Reserve life index based on 2018 proved plus probable reserves and 2018 production before royalties. All references to WTI mean approximate West Texas Intermediate price in US\$/bbl. See Advisory.

# Setting direction through sustainability governance

Governance framework supports engagement at all levels and functions



- Enterprise Risk Management helps ensure active and effective risk mitigation
- Transparent disclosure through annual ESG Report
- Advocacy for strong regulatory oversight
- Proactive Board Shareholder engagement program
- ESG targets aligned with strategy and risk management
- Executive and staff compensation metrics include ESG performance

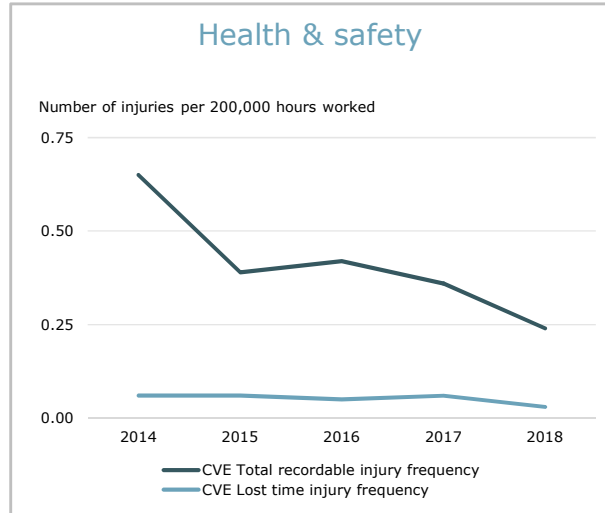
Note: See Advisory.

# Sustainability starts with safety

Working at Cenovus means working safely

- Nothing is more important than safety
- Approach begins with Corporate Responsibility Policy and Code of Business Conduct & Ethics
- Measure safety performance through TRIF, LTI, PSE Tier 1/2, and SIF metrics
- Influences executive and staff compensation
- Adhere to Energy Safety Canada’s 10 life-saving rules

**Our goal: operate without incident**



Note: TRIF – total recordable injury frequency; LTI – lost time injury; PSE – process safety event; SIF – significant incident frequency. See Advisory.

# Sustainability focus areas



Climate & GHG emissions



Indigenous engagement



Land & wildlife



Water stewardship

## 2030 TARGETS

Reduce emissions intensity by **30%** and hold **absolute emissions flat**

### AMBITION

Reach **net zero** GHG emissions by 2050

Achieve a minimum of **\$1.5 billion** of additional spending with Indigenous businesses

Reclaim **1,500 decommissioned well sites**

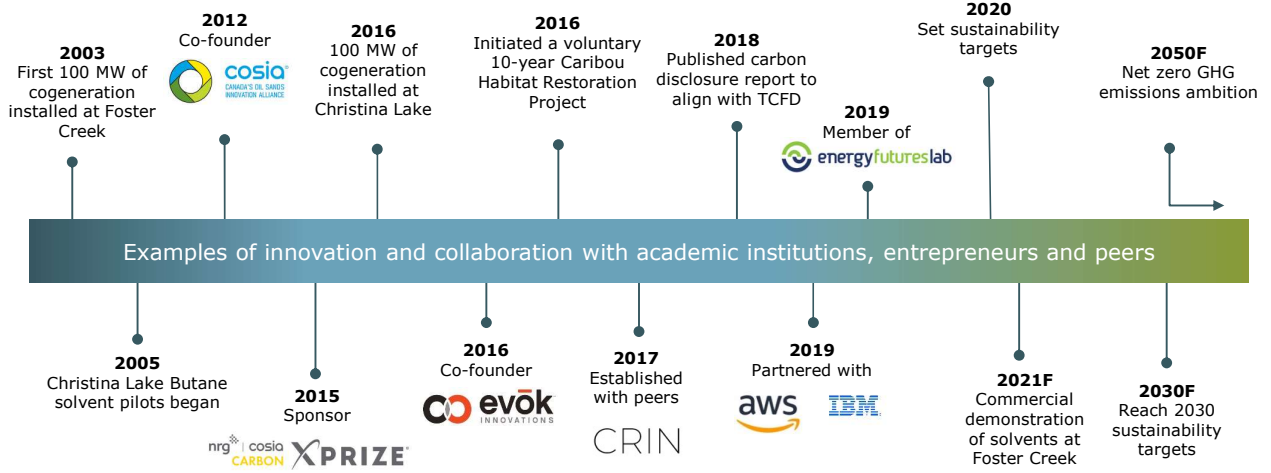
Complete **\$40 million** of caribou habitat restoration work

Achieve a fresh water intensity of maximum

**0.1 barrel per barrel of oil equivalent**

Note: GHG emissions targets and ambition include scope 1 and 2 emissions (see Definitions) from operated facilities and use a 2019 baseline. Indigenous engagement target covers 2020 – 2030. Reclamation target covers 2020 – 2030; caribou habitat restoration program covers 2016 – 2030. Water stewardship target set for December 31, 2030. See Advisory.

# Demonstrated track record of ESG



Note: See Advisory.

# Climate & GHG emissions

## Ensuring our place in the energy transition

### Objectives

- Manage climate related risks and opportunities
- Support business resiliency through the energy transition to a lower carbon economy

### Approach and levers

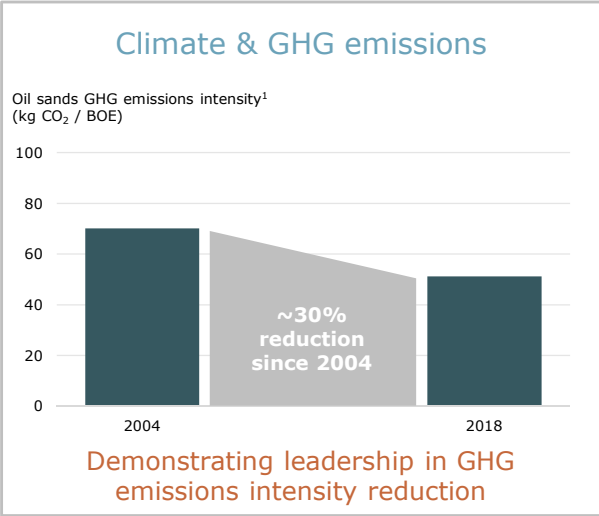
- ✓ Asset and steam to oil ratio (SOR) optimization
- ✓ Solvent technology
- ✓ Cogeneration
- ✓ Methane emission reduction
- ✓ Data analytics
- ✓ Considering offset opportunities



<b>TARGET</b>
Reduce emissions intensity by <b>30%</b> and hold absolute emissions <b>flat</b> by 2030
<b>AMBITION</b>
Reach <b>net zero</b> GHG emissions by 2050

Note: GHG emissions intensity reduction targets and ambition include scope 1 and scope 2 emissions from operated facilities. See Advisory.

# History of GHG emissions intensity reduction



2018 direct oil sands GHG emissions intensity 45 percent below oil sands industry average

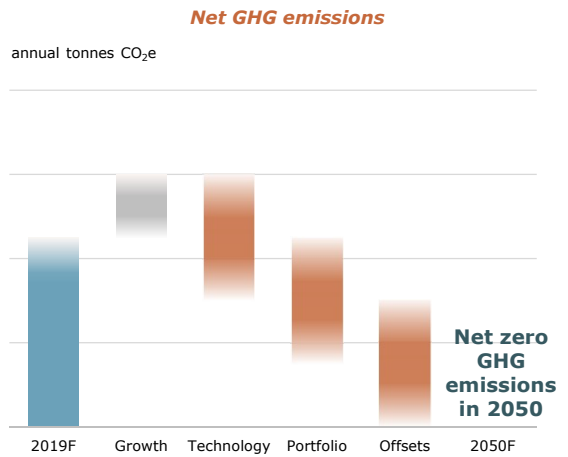
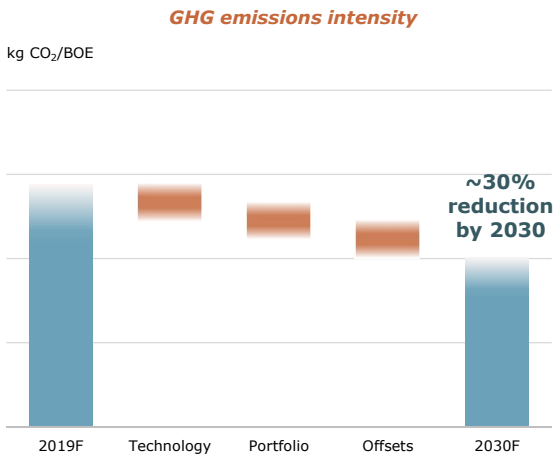
Technology and innovation reduces cost and carbon intensity:

- Well design and operating strategy improvements
- Well length optimization
- Improved boiler efficiency
- Cogeneration

Source: Cenovus 2018 ESG Report. Note: 1 - Includes only emissions from exploration, drilling and development, production and extraction, separation and surface processing; does not include emissions from transport, upgrading, refining, or end-use combustion. See Advisory.

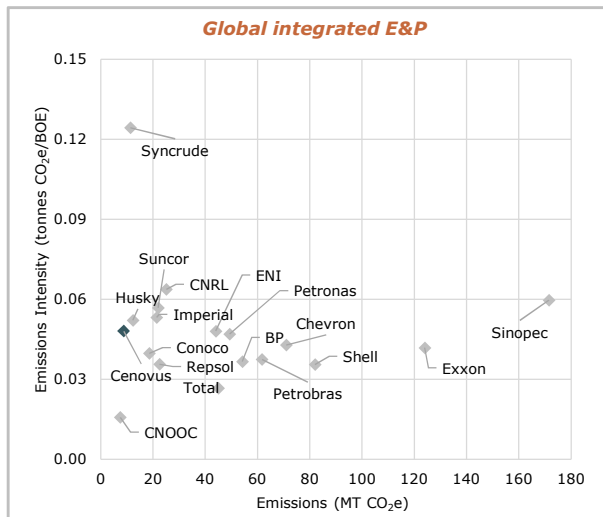
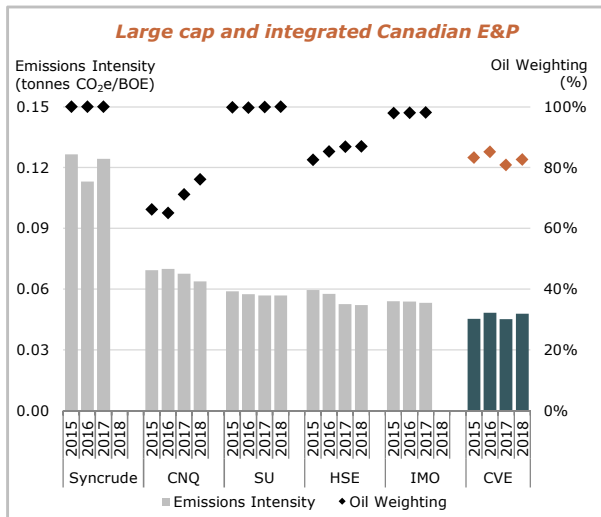
# Multiple levers to improve GHG emissions performance

Reducing GHG emissions intensity<sup>1</sup> and driving towards net zero emissions



Note: 1 GHG emissions intensity reduction target includes scope 1 and scope 2 emissions from operated facilities; assumes credit granted for cogeneration and offsets. 2019 GHG emissions intensity impacted by mandatory production curtailment. See Advisory.

# Well positioned on GHG emissions



Source: Peters & Co. Ltd. September 2019

# Indigenous engagement

Enhancing strong relationships and business opportunities

## Objectives

- Improve the social fabric of our local communities
- Support regulatory certainty for our projects

## Approach and levers

- ✓ Long-term benefit agreements with Indigenous communities
- ✓ Provide opportunities for employment and business relationships
- ✓ Post-secondary scholarships to Indigenous students
- ✓ Indigenous Inclusion Advisory Committee at Cenovus
- ✓ Mandatory Indigenous awareness training for all staff

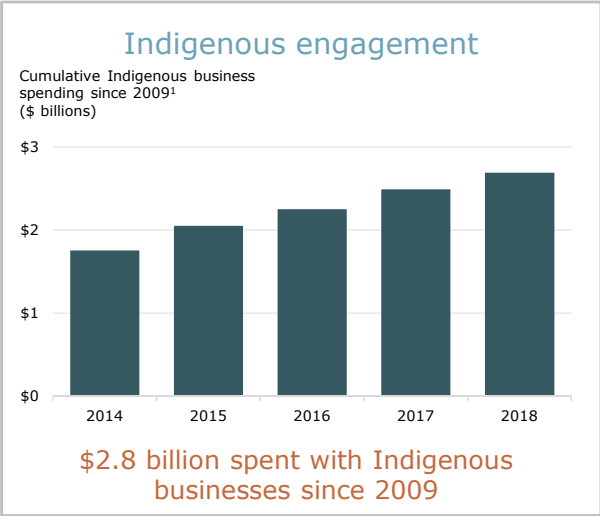


## TARGET

Achieve a minimum of **\$1.5 billion** of additional spending with Indigenous businesses by 2030

Note: Indigenous engagement target covers 2020 – 2030. See Advisory.

# History of strong Indigenous relationships



Committed to strong relationships with Indigenous communities:

- 9 long-term benefit agreements with Indigenous communities
- Scholarships to Indigenous students
- Support non-profit organizations that address local community needs

Source: Cenovus 2018 ESG Report. Note: 1 - Includes goods and services provided by Indigenous-owned companies (51 percent or more ownership) and Indigenous joint ventures. See Advisory.

# Land & wildlife



Restoring land disturbed by our activity in caribou ranges

### Objectives

- Sustain and improve overall biodiversity of the region
- Maintain low asset retirement liability
- Lower overall reclamation cost

### Approach and levers

- ✓ Proactive and sustainable approach to reclamation
- ✓ Leveraging government and industry collaboration
- ✓ Leading the world's largest boreal caribou habitat restoration project
  - Includes planting 5 million trees and restoring seismic lines

**TARGET**

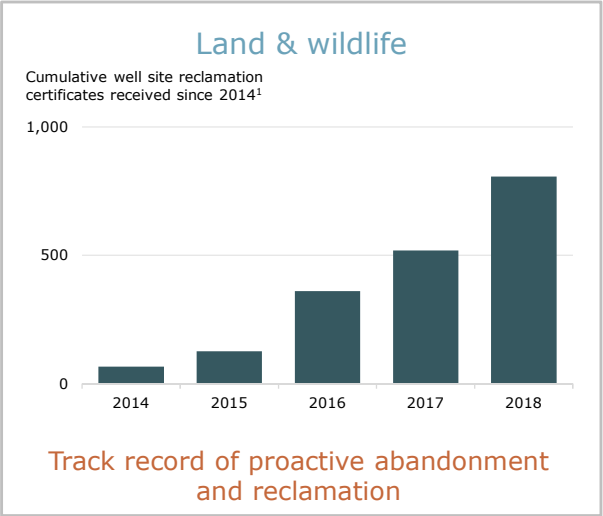
Reclaim  
**1,500 decommissioned well sites**  
by 2030

Complete  
**\$40 million** of caribou habitat restoration work  
by 2030

Note: Reclamation target covers 2020 - 2030; caribou habitat restoration program covers 2016 - 2030. See Advisory.



# History of reducing impact to land & wildlife



## Managing critical habitat for species at risk:

- Received over 1,600 reclamation certificates since 2009 to return land back to how it looked before development projects began
- As part of the Caribou Habitat Restoration Project:
  - treatment of over 800 km of linear forest disturbances (seismic lines, access roads, etc.)
  - planted over 1 million trees in operating areas since 2013

Source: Cenovus 2018 ESG Report. Note: 1 - Data prior to 2018 does not include Deep Basin assets. Reclamation certificate receipts increased in 2018 due to a large number of certificates received for our non-core assets in Saskatchewan. See Advisory.

# Water stewardship



## Maintaining industry leading performance on water use in the oil sands

### Objectives

- Reduce the impact of our operations on the environment
- Improve capital and operating costs associated with water use

### Approach and levers

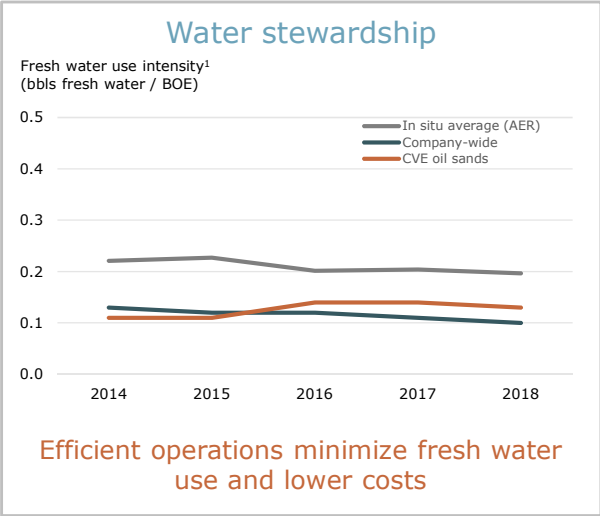
- ✓ Lowest portfolio steam to oil ratio in the industry
- ✓ No tailings ponds, no surface water used for steam generation
- ✓ Predominantly saline water used in operations
- ✓ Blowdown boiler technology
- ✓ Collaboration through COSIA
- ✓ Solvent technology

**TARGET**

Achieve a fresh water intensity of maximum **0.1 barrel per barrel of oil equivalent** by 2030

Note: Water stewardship target set for December 31, 2030. See Advisory.

# History of minimal fresh water use

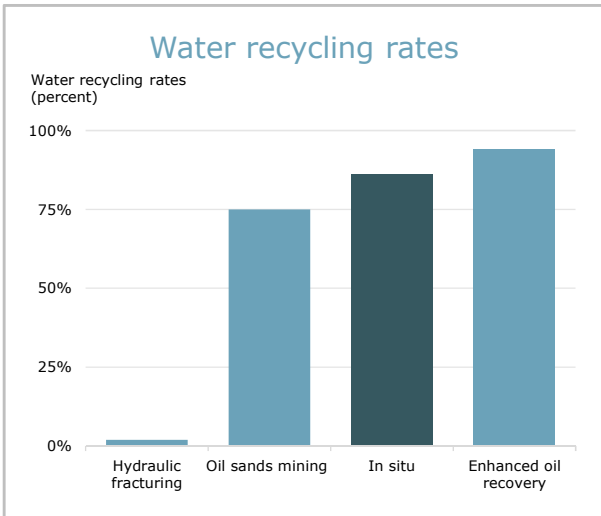
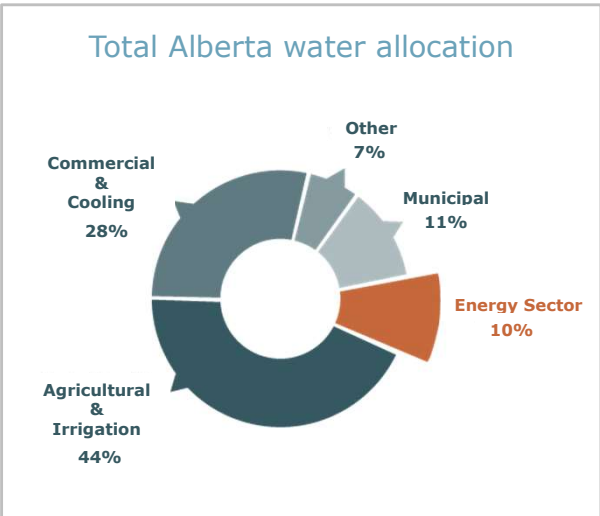


Using water efficiently and responsibly:

- > 85% of water used to generate steam at Cenovus’s oil sands sites is recycled
  - remainder met through saline sources
- Technology development increases water use efficiency

Source: Cenovus 2018 ESG Report. Note: 1 - Company-wide non-saline water use intensity has decreased in recent years mainly due to lower drilling activity and the divestment of our legacy conventional assets in 2017 and 2018. Oil sands non-saline water use intensity has increased in recent years due to phase expansion start-up and mandatory oil production curtailment in 2019. See Advisory.

# Efficient and effective water use industry-wide



Source: Alberta Energy Regulator, 2019. Total Alberta water allocation represent 2016 data. Water recycling rates represent 2018 data. See Advisory.

# Sustainability embedded in our strategy and culture

Components of sustainability

are direct inputs to how we plan our business

and the results are clear



Note: See Advisory.

## Advisories

### Definitions

Scope 1 emissions are direct emissions from owned or operated facilities. Cenovus accounts for emissions on a gross operatorship basis. This includes fuel combustion, venting, flaring and fugitive emissions. It does not include emissions from the 50% non-operated ownership in the company's refineries or emissions from non-operated Deep Basin assets.

Scope 2 emissions are indirect emissions from the generation of purchased energy for the company's operated facilities. For Cenovus, this is limited to electricity imports.

### Oil & Gas Information

The estimates of reserves and resources data and related information were prepared effective December 31, 2018 by independent qualified reserves evaluators, based on the Canadian Oil and Gas Evaluation Handbook and in compliance with the requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

### Forward-looking Information

This presentation contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking information") within the meaning of applicable securities legislation, including the United States Private Securities Litigation Reform Act of 1995, about our current expectations, estimates and projections about the future, based on certain assumptions made by us in light of our experience and perception of historical trends. Although Cenovus believes that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Individuals are cautioned not to place undue reliance on forward-looking information as actual results may differ materially from those expressed or implied.

Forward-looking information in this presentation is identified by words such as "ambition", "commit", "drive", "expect", "focus", "forecast", "future", "goal", "opportunity", "strategy", "target" or similar words or expressions and includes suggestions of future outcomes, including statements about: Cenovus's 2030 climate change and GHG related targets and further ambitions, including our ability to lower GHG emissions on both an absolute basis and in terms of intensity in our operations and in respect of Cenovus's target of reducing GHG emissions intensity by 30% and holding absolute emissions flat by 2030, and its ambition of reaching net zero emissions by 2050 (which is inherently less certain due to the longer time frame and certain factors outside of our control as outlined in more detail below); Cenovus's ability to achieve its targets and ambitions while maintaining a low cost structure, free funds flow growth, shareholder returns and balance sheet strength and its options and opportunities to achieve such targets and ambitions; our ability to maintain low steam to oil ratios; Cenovus's plans with respect to continued Indigenous engagement, including its target to achieve a minimum of \$1.5 billion of additional spending with Indigenous owned or operated businesses over the next 10 years and the expected benefits to neighbouring communities; Cenovus's plans with respect to land restoration, including its target to reclaim 1,500 decommissioned well sites over the next 10 years; projections for future years and our plans and strategies to realize such projections; strategy and related milestones and schedules as they relate to our four ESG focus areas; references to Cenovus's 2030 ESG targets and further ambitions, including the areas of focus which Cenovus will take to achieve such targets and ambitions and the impacts of working towards such targets and ambitions; the opportunities related to setting and achieving targets and ambitions for ESG focus areas; the capital costs associated with achieving the ESG focus area targets and ambitions; effective risk management; and our expectations regarding emissions compliance costs.

# Advisories

## Forward-looking Information (continued)

Developing forward-looking information involves reliance on a number of assumptions and other factors and consideration of certain risks and uncertainties, some of which are specific to Cenovus and others that apply to the industry generally. The factors or assumptions on which our forward-looking information is based include the following:

In respect of our 2030 GHG targets, we have assumed: Cenovus's ability to successfully pursue NPV-positive capital investment opportunities and other operational measures, including the successful application to Cenovus's current and future operations of existing technology and new technology that is expected to be commercial in the near term; the successful implementation of our proposed or potential strategies and plans to reduce emissions; projected capital investment levels, the flexibility of our capital spending plans and the associated source of funding; and Cenovus's ability to otherwise access and implement all technology necessary to achieve our 2030 GHG targets, the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results.

In respect of our 2050 net zero GHG ambition, we have assumed the same factors as in respect of our 2030 GHG targets applied over a longer term and will also rely on certain other factors and events coming to fruition, which are, to a large extent, outside of our control and thus less certain than those assumptions and factors that relate solely to our 2030 GHG targets, which includes continued development of commercially feasible carbon capture, utilization and storage (CCUS) technology and its future economic viability in Alberta; additional infrastructure to be built by industry or government sources to support CCUS and other technologies; and collaboration with partners to fund R&D into cost improvements and novel approaches to carbon capture.

In addition, and generally in respect of the targets, ambitions, strategy and related milestones and schedules as they relate to our four ESG focus areas and the other forward looking information in this presentation, we have assumed: Cenovus's ability to successfully pursue NPV-positive capital investment opportunities and other operational measures, including the successful application to Cenovus's current and future operations of existing technology and new technology that is expected to be commercial in the near term; projected capital investment levels, the flexibility of our capital spending plans and the associated source of funding; Cenovus's ability to otherwise access and implement all technology necessary to achieve our targets and ambitions, the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results; continuing collaboration with certain regulatory and environmental groups; the accuracy of reserves and resources estimates; commodity prices; demand levels for oil, natural gas, gasoline, diesel and other energy sources; the availability of transportation for our products; certain levels of future energy use and consumption of oil and gas; Cenovus's carbon price outlook; the performance of assets and equipment; cost reductions and sustainability improvements position for resiliency at bottom of the cycle commodity prices of about US\$45/bbl WTI and C\$44/bbl WCS; corporate breakeven is less than C\$40/bbl WTI; applicable laws and government policies, including royalty rates, and laws and policies relating to climate change; future production rates; lower production as a result of the Government of Alberta's mandatory production curtailment; the sufficiency of budgeted capital expenditures in carrying out planned activities; the receipt, in a timely manner, of regulatory and partner approvals, as applicable; Cenovus's ability to generate sufficient cash flow to meet current and future obligations; estimated abandonment and reclamation costs, including associated levies and regulations applicable thereto; the accuracy of third-party data upon which we rely; the availability and cost of labour and services; Cenovus's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the availability of Indigenous owned or operated businesses; Cenovus's ability to access sufficient capital to pursue sustainability and development plans; Cenovus's ability to implement capital projects or stages thereof in a successful and timely manner; and other risks and uncertainties described from time to time in the filings Cenovus makes with securities regulatory authorities.

# Advisories

## Forward-looking Information (continued)

The risk factors and uncertainties that could cause our actual results to differ materially, include: (i) impediments to Cenovus meeting its 2030 climate and GHG emissions targets and further ambitions, including: the effects of the implementation of cogeneration and potential increases in our steam-to-oil ratio on our overall emissions; Cenovus's ability to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results, including in respect of climate and GHG emissions targets and ambitions, the commercial viability and scalability of emission reduction strategies and related technology and products; the development and execution of implementing strategies to meet climate and GHG emissions targets and ambitions, including uncertainty over solvent supply and transportation, reservoir performance and capital spending estimates; uncertainty regarding the status of offsets, including due to cogeneration and renewable energy generation, recognition under future government policies and by ESG rating organizations and the measurability of offsets to count as emissions reductions; uncertainty in respect of CCUS regarding the eligibility of the credit generating pathways and the volatility of the price-signal in the credit market and the durability of the related policy through government changes; and (ii) impediments generally to our business and in respect of Cenovus meeting its targets, ambitions, strategy and related milestones and schedules as they relate to our four ESG focus areas and the other forward looking information in this presentation, including: increasing stakeholder consideration of ESG factors and risks, including among credit rating agencies, lenders and investors, which may impact Cenovus's ability to access capital required to finance growth and sustaining capital expenditures; the inability to receive necessary regulatory approvals in a timely manner; reputational risk, including among stakeholders and government; maintenance of key relationships with government and other regulatory bodies; risks associated with technology and its application to Cenovus's business; volatility of and other assumptions regarding commodity prices; market competition, including from alternative energy sources; potential failure of products to achieve or maintain market acceptance; risks associated with fossil fuel industry reputation and litigation related thereto; changes in general economic, market and business conditions; the effectiveness of Cenovus's risk management program; the occurrence of unexpected events such as fires, severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents and other accidents or similar events; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; availability of, and our ability to attract and retain, critical talent; our possible failure to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; risks associated with climate change and our assumptions relating thereto; changes in the regulatory framework in any of the locations in which we operate, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon, climate change and other laws or regulations, or changes to the interpretation of such laws and regulations, as adopted or proposed, the impact thereof and the costs associated with compliance; the political and economic conditions in the countries in which we operate or supply; and the occurrence of unexpected events such as war, terrorist threats and the instability resulting therefrom.

# Advisories

## Forward-looking Information (continued)

In addition, there are risks that the effect of actions taken by us in implementing targets and ambitions for ESG focus areas may have a negative impact on our existing business, growth plans and future results from operations.

Readers are cautioned that the foregoing lists are not exhaustive and are made as at the date hereof. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information. For a full discussion of Cenovus's material risk factors, see "Risk Management and Risk Factors" in our Management's Discussion and Analysis for the period ended December 31, 2018, available on SEDAR at [sedar.com](http://sedar.com), on EDGAR at [sec.gov](http://sec.gov) and on Cenovus's website at [cenovus.com](http://cenovus.com). Cenovus undertakes no obligation to update or revise any forward-looking information except as required by law.

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