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March 6, 2020

By email to shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Devon Energy Corporation – Supplement to No-Action Letter
dated January 29, 2020 Relating to Stockholder Proposal
of the George Gund Foundation and Samajak LP

Ladies and Gentlemen:

We refer to our letter dated January 29, 2020 (the “No-Action Request”), submitted on behalf of our client, Devon Energy Corporation, a Delaware corporation (“Devon”), pursuant to which we requested that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with Devon’s view that the stockholder proposal and supporting statement (the “Proposal”) submitted by As You Sow on behalf of the George Gund Foundation, and co-filed by Samajak LP (collectively, the “Proponents”), may be excluded from the proxy materials to be distributed by Devon in connection with its 2020 annual meeting of stockholders (the “2020 proxy materials”).

This letter is in response to the letter to the Staff, dated February 28, 2020, submitted on behalf of the Proponents (the “Proponents’ Letter”), and supplements the No-Action Request. In accordance with Rule 14a-8(j), a copy of this letter also is being sent to the Proponents.

As noted in the No-Action Request, a company may exclude a shareholder proposal pursuant to Rule 14a-8(i)(10) if “the company has already substantially implemented the proposal,” even if the proposal has not been implemented exactly as

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proposed by the proponent. As a result, Devon is not required to address each and every aspect of the proposal in order to exclude it under Rule 14a-8(i)(10). Indeed, the Commission specifically rejected the “previously formulative application” of the rule that required full implementation when it adopted the “substantially implemented” standard. *See* Exchange Act Release No. 34-12598 (July 7, 1976). As explained in the No-Action Request, Devon has, among other things, disclosed its (i) oversight of and response to climate-change concerns, (ii) business-related planning for climate change, (iii) goal of achieving a methane intensity rate of 0.28% by 2025, and (iv) analysis of Devon’s operations and investments in light of several scenarios with emissions reductions on the level required to meet the Paris Agreement’s goal of maintaining global temperature rise well below two degrees Celsius. Given the plethora of disclosure mentioned above and in the No-Action Request, Devon has satisfied the Proposal’s underlying concern and essential objective of obtaining a report on the measures being taken to reduce Devon’s total contribution to climate change and the resulting impact on Devon’s operations and investments. Therefore, even if the actions taken by Devon are not exactly as envisaged by the Proponents, Devon believes that its policies and public disclosures satisfy the Proposal’s essential objective. Accordingly, Devon believes that the Proposal is excludable under Rule 14a-8(i)(10) as substantially implemented.

For the reasons stated above and in the No-Action Request, Devon respectfully requests that the Staff concur that it will take no action if Devon excludes the Proposal from the 2020 proxy materials. If the Staff disagrees with the conclusions set forth in this letter, or should any additional information be desired in support of Devon’s position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff’s response.

If you have any questions with respect to this matter, please do not hesitate to contact me at the email address and telephone number appearing on the first page of this letter.

Very truly yours,


Anthony Saldana /ATB

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Division of Corporation Finance
Office of Chief Counsel
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cc: Chris Kirt
Vice President, Corporate Governance and Secretary
Associate General Counsel
Devon Energy Corporation

Danielle Fugere
President
As You Sow

SANFORD J. LEWIS, ATTORNEY

Via electronic mail
February 28, 2020

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Devon Energy Corporation 2020 Annual Meeting of Stockholders
Proposal of the George Gund Foundation and Samajak LP

Ladies and Gentlemen:

The George Gund Foundation and co-filer Samajak LP (the “Proponents”) are beneficial owners of common stock of Devon Energy Corporation (the “Company”) and have submitted a shareholder proposal (the “Proposal”) to the Company. I have been asked by the Proponents to respond to the letter dated January 29, 2020 (“Letter”) sent to the Securities and Exchange Commission by Anthony Saldana, Skadden, Arps, Slate, Meagher & Flom LLP. In that letter, the Company contends that the Proposal may be excluded from the Company’s 2020 proxy statement.

I have reviewed the Proposal, as well as the letter sent by the Company, and based upon the foregoing, as well as the relevant rules, the Proposal must be included in the Company’s 2020 proxy materials and that it is not excludable under Rule 14a-8. A copy of this letter is being emailed concurrently to Anthony Saldana, Skadden, Arps, Slate, Meagher & Flom LLP.

SUMMARY

The Proposal asks the Company to issue a report describing “if and how” it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius (“Paris goal”). The supporting statement seeks information, at board and management discretion, on the relative benefits and drawbacks of disclosing Scope 3 product emissions, adopting greenhouse gas reduction targets for the Company’s full carbon footprint including product-related emissions, reducing capital investments in fossil fuel development that are non-Paris aligned, and investing in renewable energy resources or other carbon reduction measures.

Substantial implementation Rule 14a-8(i)(10) - The essential objective of the Proposal is to understand “if, and how,” Devon plans to align its total carbon emissions with the Paris Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius (Paris

Goal).¹ The Company Letter asserts that the Proposal is substantially implemented by the Company's existing disclosures.

Both the essential purpose and the guidelines of the Proposal are clearly delineated by the Resolved clause of the proposal which asks the Company to report "if and how" the Company plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2 degrees Celsius. While the Company need not fulfill every detail of the guidelines, the Company has the burden of demonstrating that the Proposal's essential objective is met and the burden of demonstrating the availability of any exemptions. See 17 C.F.R. § 240.14a-8(g)

In this instance, the Company's existing reporting neither meets nor approximates the essential purpose or guidelines of the proposal. Its existing disclosures obfuscate rather than answer the core question of the proposal. The question of "if" the Company plans to align with the Paris goal can be answered by a simple "yes" or "no" from the Company. If the Company answers no because it does not intend to align, the Proposal is satisfied. If it answers yes, to satisfy the objective of the Proposal, the Company would need to disclose "how" it plans to achieve alignment with the Paris goal. Instead, the Company's existing disclosure involves discussion of a series of measures that will move the Company in the direction of overall emissions reductions, but describes no intent, commitment, documentation, or plan outlining how these measures will reduce its total greenhouse gas emissions at the scale and pace necessitated by the Paris goal. Existing disclosures are unresponsive to the Proposal and do not substantially implement it.

THE PROPOSAL

WHEREAS: The Intergovernmental Panel on Climate Change research instructs that global emissions of carbon dioxide must reach "net zero" by 2050 to avoid catastrophic impacts associated with a warming climate. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to an estimated savings of \$20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change, and Devon's emissions are significant. Devon's future investment choices matter. Every dollar invested in fossil fuel resources that are not aligned with Paris goals increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway's sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects.^{2,3} Other investors are seeking

¹ The resolved clause states: Shareholders request that Devon Energy issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2 degrees Celsius.

² <https://www.worldbank.org/en/topic/climatechange/brief/qa-the-world-bank-group-and-upstream-oil-and-gas>

³ <https://www.reuters.com/article/us-climate-europe-eib/european-investment-bank-to-cease-funding-fossil-fuel-projects-by-end-2021-idUSKBN1XO2OS>

Paris Alignment from large emitters.⁴ Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.

A growing number of oil and gas companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions and has decreased reserves life below the industry standard of 10 years.^{5,6} Total has invested substantially in renewable energy and storage. Equinor rebranded itself from ‘StatOil’ and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target, writing down over \$5 billion of unaligned assets.⁷

In contrast, Devon does not report Scope 3 product emissions. Its methane reduction intensity target is short term, limited to operated assets, and does not address Scope 3 product emissions. Devon has no long term business plan to align operations with Paris 1.5 degree goals, instead its direct greenhouse gas emissions and greenhouse gas intensity increased each year from 2016-2018.⁸

Investors seek additional information from Devon to address these concerns.

BE IT RESOLVED: Shareholders request that Devon Energy issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.

SUPPORTING STATEMENT: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of adopting the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other greenhouse gas emission reduction measures.

⁴ <https://climateaction100.wordpress.com/faq/>

⁵ https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/_jcr_content/par/tabbedcontent/tab/textimage.stream/1564572084204/fbfb66b7e35c8ee49204f6e53be4a0144e35d275/climate-change-submission-royal-dutch-shell-final-31.pdf

⁶ <https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk>

⁷ https://www.repsol.com/en/press-room/press-releases/2019/repsol-will-be-a-net-zero-emissions-company-by-2050.cshhtml?utm_campaign=zero_201912_sost-climatico&utm_source=twitter&utm_medium=social

⁸ https://www.devonenergy.com/documents/Sustainability/2019-PDF-Sections/DVN_SR19_75_performance-metrics.pdf

BACKGROUND

In October 2018, the Intergovernmental Panel on Climate Change (IPCC) released a report reassessing the trajectory of global warming and instructing that global emissions of carbon dioxide must reach "net zero" by 2050 to maintain warming at 1.5 degrees. It further described the large difference in damage to habitability of the earth caused by relative increases of temperature between 1.5°C and 2°C. Maintaining warming under 1.5°C rather than 2°C is predicted to avoid an estimated \$20 trillion in global damages.⁹

As a result of rising global temperatures, the world is experiencing unprecedented and extreme weather events and disruptions. These events are predicted to occur with even greater frequency and impact as the world warms. Capital markets have begun to register this climate change crisis. Some of the largest and most influential actors in finance are mobilizing around the need to better assess the risks that climate change pose to the global economy and investor portfolios. BlackRock, the world's largest asset manager, with over \$7 trillion in assets under management, recently issued a report in which CEO Larry Fink stated "the evidence on climate risk is compelling investors to reassess core assumptions about modern finance."¹⁰

In early 2020, the Church of England and FSTE Russell created an index that includes companies working to align greenhouse gas emissions with the Paris Agreement and bars companies that are not.¹¹ The Net-Zero Asset Owner Alliance, with nearly \$4 trillion in assets under management, aims to align its portfolio with a below 2 degree scenario.¹² At the end of 2019, 33 banks with \$13 trillion in assets signed the U.N. Principles for Responsible Banking committing to align business with the Paris Agreement,¹³ an outcome that will affect oil and gas companies' access to capital, while a nearly \$40 billion pension fund -- Brunel Pension Partnership -- stated plans to vote against board members or divest from firms that are not aligning with the Paris Agreement.¹⁴

The CA100+, a group made up of investors with more than \$39 trillion in assets under management, is asking the 100+ largest greenhouse gas emitting companies to reduce their greenhouse gas emissions in line with the Paris goal, among other requirements.¹⁵

Another key investor initiative seeking disclosures and actions similar to the proposal is the Transition Pathway Initiative (TPI), a global initiative led by asset owners and supported by asset managers. Established in January 2017, TPI investors now collectively represent over \$9.3 trillion of assets under management. On an annual basis, TPI assesses how companies are preparing for the transition to a low-carbon economy and quantitatively benchmarks companies'

⁹ https://www.nature.com/articles/s41586-018-0071-9.epdf?referrer_access_token=5FOtF_6T_JgTTW8pjnTKO9RgN0jAjWel9jnR3ZoTv0OskypFEzLGji1pAcPpJpRU

¹⁰ <https://www.nytimes.com/2020/01/14/business/dealbook/larry-fink-blackrock-climate-change.html>

¹¹ <https://www.nytimes.com/2020/01/31/business/church-of-england-climate-change.html>

¹² <https://www.unepfi.org/net-zero-alliance/>

¹³ <https://www.unepfi.org/news/industries/banking/collective-commitment-to-climate-action/>

¹⁴ <https://www.bloomberg.com/news/articles/2020-01-27/u-k-pension-fund-to-wield-axe-on-climate-change-inaction>

¹⁵ <https://climateaction100.wordpress.com/companies/>

carbon emissions against the international targets and national pledges made as part of the Paris Agreement. *As noted in the proposal, TPI's findings indicate that Devon's carbon intensity trajectory is far above Paris goals.*¹⁶ Thus, the Proposal seeks to find out if and how the company intends to come into alignment.

Devon Strategy & Reporting

Oil and gas companies are major contributors to global warming. Reducing their carbon footprints in line with the Paris goal of maintaining global temperatures well below 2°C will require substantial changes in their business model, a process that requires long planning horizons and implementation timelines.

As noted in the Proposal, some leading oil and gas companies have already announced policies to reduce their climate footprints and to begin aligning with the Paris goal in various ways, including setting full scope 1 through 3 emissions goals, setting product carbon intensity reduction targets, investing in solar and/or wind energy, and selling or writing down oil and gas assets. These actions were set in motion in part by shareholder engagements and proposals. Having set the bar for oil and gas company as alignment with the Paris goal, shareholders now seek to benchmark large emitting oil and gas companies' progress in reducing emissions in line with the Paris goal, thereby decreasing risk to companies and to the climate.

In the face of global climate change and the Paris Climate Agreement, two major strategic questions face every company that is deeply invested in fossil fuels:

1. What are the risks to the company associated with remaining on the current path of product and development efforts?
2. Whether to take responsibility for reducing the company's climate footprint at the scale and pace necessary to reach global goals to contain the increase in warming?

To date, Devon has focused on discussing the first question in its Climate Change Assessment Report where it discusses risk reduction scenarios and strategic assessments of demand.¹⁷ The Company, in its 2019 CDP Climate Change Questionnaire, reports an objection to taking responsibility for its product-related emissions stating it is "not in a position to speculate as to the ultimate purchaser, processor, distributor, or consumer of our products."¹⁸ This suggests that it does not intend to answer the second question affirmatively. Rather than infer an intent, however, shareowners are asking the Company to be clear about whether it intends to align with the Paris goal.

¹⁶ <https://www.transitionpathwayinitiative.org/tpi/companies/devon-energy>

¹⁷ http://www.devonenergy.com/documents/Sustainability/Environment/Climate-Change/DVN_Climate-Change-Assessment-Report.pdf

¹⁸ http://www.devonenergy.com/documents/Sustainability/Environment/Greenhouse-Gas-Emissions/DVN_2019-CDP-Climate-Response.pdf, p.29

Most large oil and gas companies have issued reports addressing the risk that climate change poses to their companies, providing a set of measures for reducing certain of the company's greenhouse gas emissions, and discussing various climate strategies, concerns, and rationales for taking or not taking specific actions. Shareholders filed the first Proposal asking for a carbon risk report in 2012 with Consol Energy. Exxon produced the world's first carbon risk report in 2014 and has updated it over time to address shareholder concern about climate risk to the company. These carbon risk Proposals, and company responses to them, have provided an important resource to increase company and shareholder understanding of the climate risks facing companies and how they can act to reduce company risk.

Over the past three years, however, as climate change impacts have escalated dramatically, many shareowners have become concerned about continued company emissions that are negatively impacting the climate and creating risk to shareholder portfolios, among other critical impacts. Shareholders have thus begun to ask the largest emitting companies, including oil and gas companies, to report whether they plan to reduce their carbon footprints in alignment with the Paris goal of maintaining global climate change well below 2 degrees Celsius, with a focus on not increasing global temperatures above 1.5 degrees Celsius.

Seeking information on company alignment with the Paris goal, across the spectrum of companies with the largest emissions, is a way for investors to be clear about company emissions and where they are headed, with the goal of investing in those companies that are supporting the goal of maintaining global temperature rise at the low end of the harm scale. Paris alignment, as defined by shareholders, also creates a way to benchmark companies' progress in reducing impacts to the global economy, including impacts to shareholders' portfolios.

The request that companies should report on their alignment with the Paris goal is new, and made to build upon the foundation of climate risk reporting such as the report produced by Devon. Providing the information requested in this Proposal will take the next step, enabling investors to readily and comparably distinguish those companies that are in alignment, or moving toward alignment, with the global Paris goal from those that are not, informing their investment decisions.

The simple "if and how" formulation of the Proposal, which has been filed at a number of other oil and gas companies, represents a private ordering effort to assist shareowners throughout the economy in making informed choices about the companies in which they invest, and to help them to shape portfolio strategy in line with the Paris goal.

ANALYSIS

I. THE PROPOSAL IS NOT SUBSTANTIALLY IMPLEMENTED.

To demonstrate substantial implementation pursuant to Rule 14a-8(i)(10), a Company must demonstrate that its actions compare favorably with the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company's particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed both the proposal's guidelines and its essential objective. See, e.g., *Exelon Corp.* (Feb. 26, 2010). The purpose of 14a-8(i)(10), to avoid entertaining shareholder proposals addressing matters which have already been favorably acted upon by management, should be considered in conducting a substantial implementation analysis.¹⁹ The present Proposal does not constitute such an instance.

Here, the Company has neither substantially fulfilled the guidelines nor the essential purpose of the Proposal, and therefore the Proposal cannot be excluded.

The Resolved clause requests that the Company describe if and how it plans to reduce its total contribution to climate change and align its operations and investments with the Paris goal. This requires a statement of intent to align, or not, with the Paris Agreement's below two degree goal and a description of how the Company's plans and policies are in alignment with that goal over the relevant time period. These elements are missing from the Company's current disclosures. Because the Company does not answer the question posed by the Proposal, it cannot be said to have substantially implemented it.

The Company has failed to provide investors with meaningful information about its intent to align with the Paris goal -- or not. The "if" component is a yes or no question: does the Company intend to align or not? A hidden answer, a failure to respond, or burying the issue behind a veil of complexity does not fulfill the proposal.

The Company could meet the objective of the Proposal with a simple and clear statement that it does not intend to align with the Paris goal. We hazard a guess, however, that Devon does not want to be so clear with its shareowners and with the public. If the Company clearly declared an intention not to align with the Paris goal, it would stand in stark contrast to those peer oil and gas companies that have declared an intention to align their GHG emissions with the Paris goal, including for example, taking responsibility for Scope 3 product emissions,²⁰ planning long term

¹⁹ Proposed Amendments to Rule 14a-8, Release No. 12734, 26 SEC Docket 494 (Oct. 14, 1982)

²⁰ In fact, the Company actively rejects taking responsibility for its significant Scope 3 product emissions, stating that "[w]hile we have the ability to track directly whom we sell our products, we are not in a position to speculate as to the ultimate purchaser, processor, distributor, or consumer of our products." https://www.devonenergy.com/documents/Sustainability/Environment/Greenhouse-Gas-Emissions/DVN_2019-CDP-Climate-Response.pdf. In the Proposal's Whereas clause, the Proposal describes how other companies have announced planned reductions of GHG emissions from products: Shell announced Scope 3 greenhouse gas intensity

emission reductions in alignment with the net zero by 2050 goal, and/or disclosing their relevant reduction plans and actions.

If in implementing the Proposal, the Company has stated an intent to align, the Company should also have provided a clear plan to explain “how” it will do so.

The Company’s reporting here answers neither the “if” nor “how” components of the Proposal. The Company cites to no statement affirming or denying its intent. Nor does it offer a concrete plan outside of its current operational emissions reductions goals and its reference to technologies that might or might not economically scale or timely achieve necessary reductions. The fact that the Company provides information that addresses the broad subject matter of the Proposal (climate change), but obscures and avoids the central question of the proposal (if it intends to reduce its full GHG emissions in alignment with the Paris goal) cannot be said to have substantially implemented the Proposal.

The Company’s implicit argument is that because it has various greenhouse gas reduction policies in place, no matter how minor, it is therefore aligned with the Paris Agreement. The Company, however, confuses the general aim of the Paris Agreement (greenhouse gas reductions) with the actual Paris goal of delivering emissions reductions to maintain global temperatures well below 2 degree Celsius (i.e., 1.5 degrees). As noted in the Proposal, the IPCC has instructed that global emissions of carbon dioxide must reach net zero by 2050 to align with the Paris Agreement’s goal.

Despite the Company’s various Public Disclosures listed in the Letter,²¹ the Company’s Letter nowhere reports that the Company has an intent to align its climate footprint with the Paris goal of net zero by 2050, or that it does not intend to do so.

The Company’s existing disclosures indicate, possibly, that the Company’s emissions are heading in a similar direction to the Paris goal -- but not that it intends to do so across its full greenhouse gas footprint or at the pace and scale of activity required to attain the two degree goal.

Where, as here, investors seek disclosure on a specific issue, the Company cannot point to directional commitments like ‘reduce greenhouse gas emissions’, ‘methane-intensity measure’, ‘climate risk assessment and strategy’ to imply alignment with the Paris goal, or to avoid the question entirely.

The Proposal’s specific objective is particularly important to institutional investors with long term investment horizons, as well as their beneficiaries who rely on a stable economy to generate

reduction ambitions and has decreased reserves life below the industry standard. Total invested substantially in renewable energy and storage. Equinor is diversifying into renewables. Orsted, previously an oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target and will write down billions in unaligned assets.

²¹ Yearly Sustainability Report, Climate Change Assessment Report, and yearly response to the CDP climate change survey.

benefits; to universal investors whose portfolios are diversified across the economy and are benefitted by actions that ensure systemic stability and economic growth; and, finally, to investors who want to assure a stable and secure world, without catastrophic harms to people and planet. It is also a very different objective from that of the Company's Public Disclosures, which assess its own climate risk and generally discusses why it will stay the course.

Devon's Reporting

Devon has produced a Climate Change Assessment Report and a 2018 Sustainability Report that describe how the Company intends to meet the world's growing demand for energy, while reducing environmental impacts and the company's climate-related risks. The reports describe scenario risk analysis and outline various metrics and targets it has put in place to reduce greenhouse gas emissions from its operations. These reports address many important issues related to climate change and are useful to shareowners, but do not answer the fundamental objective of the Proposal.

Devon's Letter also cites to a sampler of actions in its 2019 CDP Climate Response that include 'pursuing opportunities to reduce greenhouse gas emissions by piloting new technologies and evaluating energy efficiency measures and optimization initiatives.' In the Letter the Company further lists a goal of achieving a "methane intensity rate of 0.28% by 2025." In arguing substantial implementation of the Proposal the Company is concluding that these actions are sufficient to meet the Proposal's objective. Yet, these various operational emissions reductions are only a small part of the Company's full climate footprint and the Company has disclaimed any goals or plans to substantially reduce the largest part of its "total contribution to climate change" -- its product emissions.²²

The Company claims that "[e]ven if the Proposal were to be considered or adopted... there would be scant additional information for Devon to disclose given its existing policies, practices, and public disclosures." But the Public Disclosures offered by the Company lack any statement of "if" the Company intends to align its total carbon footprint with the Paris goal, or not. The inclusion and clarity of such additional information is key for investors. In the Letter the Company does not state that it intends to align with the Paris goal so the question at the core of the Proposal remains unaddressed: does the Company believe its strategy is in alignment with the Paris goal or not?

The Company's Disclosures Do not Describe if or whether the Company Plans to Reduce its Total Contribution to Climate Change in Alignment with the Paris goal.

Neither the arguments in the Company Letter, nor the information provided by the Company's reporting, state a Company intent to do more than undertake some measures to reduce the greenhouse gas emissions of its direct operations.

²²The Company actively rejects taking responsibility for its Scope 3 product emissions.
https://www.devonenergy.com/documents/Sustainability/Environment/Greenhouse-Gas-Emissions/DVN_2019-CDP-Climate-Response.pdf

The Company cannot effectively claim that its disclosures are responsive to the proposal based on its methane emissions reduction goal which will have a minimal impact. In fact, it is possible that the Company's disclosures regarding these planned reductions will mislead investors who fail to understand their relative significance. The Company points to "Devon's goal of achieving a methane intensity rate of 0.28% by 2025, down from an estimated 0.32% currently."²³ It does not, however, point out, either in the Letter or in its Reports, that these measures will likely not actually achieve significant reductions in its total carbon footprint. Rather, by definition, the intensity reductions of those goals are applied only to operational emissions, which constitute less than 30% of the Company's total emissions.^{24, 25, 26} Such marginal improvements over a five-year period will have minimal positive impacts on its absolute emissions.

Based on the small amount of reductions to be achieved by 2025, if the Company were to claim that the answer to "if" is yes, then this raises the question of how the Company plans to account for the emissions that remain, which are the vast majority of its emissions. Devon has disclosed no information to indicate that it has a program to reduce emissions along the timelines necessary to align with Paris goals.

In Devon's 2019 Sustainability Report the Company states that it is "confident that oil and natural gas will remain the world's most affordable and accessible forms of energy for many years to come."²⁷ It goes on to state in its Letters that it believes that its "current portfolio of investments is likely to be well-positioned to remain profitable even in an aggressive low-carbon scenario." Because the Company alludes to a continued trajectory of significant greenhouse gas emissions for decades into the future, the questions of "if" and "how" the Company intends to align with the Paris Agreement is of profound importance to investors.

The Letter also notes that the Company's Climate Change Assessment Report "has evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modeled through 2050." While considering the possible risks of future climate change policies is important in mitigating company risk, it is an insufficient basis for reporting that the Company is aligning its total carbon footprint with the Paris goal as requested by the Proposal, or for demonstrating how it would plan to do so.

²³ https://www.devonenergy.com/documents/Sustainability/Environment/Greenhouse-Gas-Emissions/DVN_2019-CDP-Climate-Response.pdf, p.20

²⁴ This appears to be a .04% reduction on 30% of the Company's total emissions.

²⁵ A company's carbon footprint accounts for the total greenhouse gases produced by a company inclusive of direct Scope 1 (operational emissions), indirect Scope 2 (energy use emissions), and Scope 3 (product & other indirect emissions). <https://ghgprotocol.org/scope-3-technical-calculation-guidance>. If the Company were to fully eliminate its operational emissions, which is impracticable, approximately 75-80% or more of its carbon footprint would remain. <https://www.wri.org/resources/data-visualizations/upstream-emissions-percentage-overall-lifecycle-emissions> This full carbon footprint is the subject matter of this Proposal.

²⁶ <https://www.bloomberg.com/news/articles/2020-02-11/why-company-carbon-cuts-should-include-scope-check-quicktake>

²⁷ https://www.devonenergy.com/documents/Sustainability/2019-PDF-Sections/DVN_SR19_0_FULL-REPORT.pdf, p.10

We note that no company knows *exactly* how it will align in the long term, but a clear affirmative response to “if” it intends to align and a discussion of “how” it plans to align with the goal is a necessary outcome. This would correspond to the commitments made by peer oil & gas companies – statement of intent to align, statement of total emissions, quantification of how emissions will be reduced through current goals, and how the Company broadly plans to reduce the remaining emissions at a scale and pace likely to achieve the long term component of the Paris goal.

Instead, when it comes to the fundamental questions raised by the proposal, the Company’s reporting is silent.

Devon’s Letter also points to its Environmental, Social, and Governance Steering Committee and notes how survey rankings “indicate that Devon is outperforming most of its peers in the ESG arena.” This distracts from the essential objective of the Proposal. Devon may well be performing on various ESG metrics, but on the topic of emissions reductions and alignment with the Paris goal, Devon is not performing. Reference to these ESG rankings is of no import to the question that the Proposal poses.

Additionally, Devon mentions the emissions reduction impact of the sale of its Canadian business. This action has led to a drop in the Company’s emissions but is a one-time action. It does not assure Devon’s ultimate trajectory will reduce, in alignment with the Paris goal, the major emissions associated with its U.S. operations and the sale of its fossil fuel products.

The Company asserts that “[t]aken together, Devon’s advances in operational efficiency....demonstrate Devon’s continuing commitment to reduce its total contribution to climate change and... compare favorably with the guidelines of the Proposal.”

This is incorrect as explained above. None of these actions or disclosures clarify for investors whether the Company plans to reduce emissions in alignment with the Paris goals. The Proposal is therefore not excludable pursuant to Rule 14a-8(i)(10).

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2020 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no action letter request. If you have any questions, please contact me at 413 549-7333 or sanfordlewis@strategiccounsel.net.

Sincerely,



Sanford Lewis
cc: Anthony Saldana
Danielle Fugere

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
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January 29, 2020

By email to shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Devon Energy Corporation 2020 Annual Meeting of Stockholders
Proposal of the George Gund Foundation and Samajak LP

Ladies and Gentlemen:

We are submitting this letter on behalf of Devon Energy Corporation, a Delaware corporation (“Devon”), pursuant to Rule 14a-8(j) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). Devon is seeking to omit a shareholder proposal and supporting statement (the “Proposal”) that it received from As You Sow on behalf of the George Gund Foundation, and co-filed by Samajak LP (collectively, the “Proponents”), from inclusion in the proxy materials to be distributed by Devon in connection with its 2020 annual meeting of stockholders (the “2020 proxy materials”). Copies of the Proposal and related relevant correspondence received from the Proponents are attached hereto as Exhibit A. For the reasons stated below, we respectfully request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) not recommend action against Devon if Devon omits the Proposal from the 2020 proxy materials.

Devon currently intends to file its 2020 definitive proxy materials on or about April 21, 2020. In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. A copy of this letter and its attachments are also being sent by overnight courier to the Proponents as notice of Devon’s intent to omit the Proposal from the 2020 proxy materials. We will promptly forward to the

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
January 29, 2020
Page 2 of 9

Proponents any response received from the Staff to this request that the Staff transmits by email or fax only to Devon or us. Further, we take this opportunity to remind the Proponents that under the applicable rules, if the Proponents submit correspondence to the Staff regarding the Proposal, a copy of that correspondence should be concurrently furnished to the undersigned on behalf of Devon.

The Proposal

The text of the resolution in the Proposal states: “Shareholders request that Devon Energy issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal of maintaining global temperature rise well below 2 degrees Celsius.”

Basis for Exclusion

For the reasons described in this letter, we respectfully request that the Staff concur in Devon’s view that it may exclude the Proposal from the 2020 proxy materials pursuant to Rule 14a-8(i)(10) because Devon has substantially implemented the Proposal.

Analysis

Rule 14a-8(i)(10) – Substantial Implementation

The Proposal is properly excludable from the 2020 proxy materials because Devon has substantially implemented the Proposal, as Devon has addressed the underlying concerns and satisfied the essential objective of the Proposal, even if the Proposal has not been implemented exactly as proposed by the Proponent. Devon’s existing disclosure in, among other things, its yearly Sustainability Report and Climate Change Assessment Report, as well as its yearly practice of responding to the CDP¹ climate change survey, satisfies the Proposal’s underlying concern and essential objective of obtaining a report on the measures being taken to reduce Devon’s total contribution to climate change and the resulting impact on Devon’s operations and investments. Even if the Proposal were to be considered or adopted by Devon, there would be scant additional information for Devon to disclose given its existing policies, practices, and public disclosures. Therefore, Devon has substantially implemented the Proposal.

¹ CDP was formerly known as the Carbon Disclosure Project.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the “substantially implemented” standard in 1983 after determining that the “previous formalistic application” of the rule defeated its purpose, which is to “avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” See 1983 Release and Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be “fully effected” provided that they have been “substantially implemented” by the company. See 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal under Rule 14a-8(i)(10) when it has determined that the company’s policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. See, e.g., *Visa, Inc.* (Oct. 11, 2019); *AutoZone, Inc.* (Oct. 9, 2019); *United Cont’l Holdings, Inc.* (Apr. 13, 2018); *eBay Inc.* (Mar. 29, 2018); *Kewaunee Scientific Corp.* (May 31, 2017); *Wal-Mart Stores, Inc.* (Mar. 16, 2017); *Dominion Resources, Inc.* (Feb. 9, 2016).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where a company already addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. In *Hess Corporation* (Apr. 11, 2019), for example, the proposal requested that the company issue a report on how it can reduce its carbon footprint in alignment with greenhouse gas reductions. The company argued, among other things, that its sustainability report and response to the CDP climate change survey, both available on the company’s website, substantially implemented the proposal. Although the materials referred to by the company covered most, but not all, of the issues raised by the proposal, the Staff concluded that the company’s public disclosures “[c]ompared favorably with the guidelines of the [p]roposal” and that the company had therefore substantially implemented the proposal. See also, e.g., *Exxon Mobil Corp.* (Apr. 3, 2019) (same); *MGM Resorts Int’l* (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company’s sustainability policies and performance and recommending the use of the Governance Reporting Initiative Sustainability Guidelines, where the company published an annual sustainability report that did not use the Governance Reporting Initiative Sustainability Guidelines or include all of the topics covered therein); *Wal-Mart Stores, Inc.* (Mar. 30, 2010) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company adopt six principles for national and international action to stop global warming, where the company published a report that set forth only four principles that covered most, but not all, of the issues raised by the proposal); *Alcoa Inc.* (Feb. 3, 2009) (permitting exclusion under

Rule 14a-8(i)(10) of a proposal requesting a report that describes how the company's actions to reduce its impact on global climate change may have altered the current and future global climate, where the company published general reports on climate change, sustainability and emissions data on its website).

In this instance, Devon has substantially implemented the Proposal, the essential objective of which is to obtain a report on the measures being taken to reduce Devon's total contribution to climate change and the resulting impact on Devon's operations and investments.

Devon already discloses such sustainability measures, including climate change, on its website. From the homepage of Devon's website, under the "Sustainability" tab, users can go directly to Devon's dedicated "Sustainability" webpage, which offers information concerning Devon's various sustainability initiatives, including a link to an annual sustainability report. The "2019 Sustainability Report" gives a comprehensive overview of Devon's focus on "environmental, social and governance" programs. In particular, pages 11–29 of the report explain Devon's approach to "environmental stewardship," noting that "Devon believes in reducing [its] emissions and strives to stay on the leading edge of this issue" by executing its strategic plans based on "rigorous analysis of the global outlook for energy and the potential for new regulations, while recognizing and responding to concerns about climate change."² In addition, the report highlights Devon's Environmental, Social, and Governance Steering Committee (the "ESG Committee"), which, as explained in the ESG Committee Charter, assists senior management in "setting the Company's general strategy relating to ESG Matters, as well as developing, implementing, and monitoring initiatives and policies at the Company based on that strategy." The ESG Committee Charter also describes the committee's duty and responsibility to "review the Company's strategy, policies, practices, and disclosures for consistency with respect to ESG Matters, and to make such recommendations to management with respect thereto as it may deem advisable."³ Devon's ESG policies and public disclosures, which reflect the ESG Committee's leadership in this area, have been recognized by several third-party

² Pages 11–29 of the 2019 Sustainability Report are attached hereto as Exhibit B. The full 2019 report is available at https://www.devonenergy.com/documents/Sustainability/2019-PDF-Sections/DVN_SR19_0_FULL-REPORT_191121_170448.pdf.

³ The Charter of the Environmental, Social, and Governance Steering Committee, as approved on December 4, 2017, is attached hereto as Exhibit C and available at https://www.devonenergy.com/documents/Sustainability/Governance/DVN_ESG-Committee-Charter-FINAL_approved-120417.pdf.

survey rankings, which indicate that Devon is outperforming most of its peers in the ESG arena. For example, Devon’s Shareholder Engagement webpage notes that “Sustainalytics ranked Devon’s ESG performance in the top 15% in our peer group and ISS ranked our combined ESG score above all but one of our peers.” The webpage also states that “JUST Capital’s newest rankings have Devon third overall and first in environmental performance among 32 oil and gas companies” and that “Devon has also been named to the Dow Jones Sustainability Indices, in collaboration with RobecoSAM.”⁴

In addition, the report emphasizes that Devon “track[s] specific metrics for greenhouse gas (GHG) emissions and methane emissions,” two primary drivers of climate change, and “share[s] them in this report and other public disclosures.” The report also describes other important emissions metrics that Devon tracks on an annual basis. For example, the report indicates a reduction in methane emissions, measured in million tonnes CO₂e, from 1.51 in 2016 to 1.30 and 1.22 in 2017 and 2018, respectively, which represents a decrease in methane emissions “by nearly 20% in the last three years.” The report attributes the reduction to “improved emissions-control technologies” and improved “leak detection and repair” (“LDAR”) practices.⁵ The report also notes a reduction in U.S. methane emissions intensity, measured in tCO₂e/MBOE, from 4.31 in 2016 to 4.16 and 3.73 in 2017 and 2018, respectively. Further, the report notes a reduction in Canadian methane emissions intensity from 10.96 in 2016 to 8.75 and 8.54 in 2017 and 2018, respectively. The report attributes the U.S. and Canadian reduction to “concerted efforts to reduce venting and flaring and improve our LDAR practices.” In addition, Devon announced the completion of the sale of its Canadian business by news release on June 27, 2019, which resulted in a company-wide reduction of GHG and methane emissions on a go-forward basis.⁶ Importantly, Devon’s Canadian business accounted for the majority of Devon’s emissions in the last three years.

⁴ Additional information concerning Devon’s shareholder engagement is attached hereto as Exhibit D and available at <https://www.devonenergy.com/sustainability/governance/shareholder-engagement>.

⁵ Additional information concerning Devon’s expansion of the LDAR program, which is among its primary means of reducing emissions, is attached hereto as Exhibit E and available at <https://www.devonenergy.com/sustainability/environment/greenhouse-gas-emissions>.

⁶ The news release, entitled “Devon Energy Completes Sale of Canadian Business” is attached hereto as Exhibit F and available at https://s2.q4cdn.com/462548525/files/doc_news/Devon-Energy-Completes-Sale-of-Canadian-Business-2019.pdf.

Moreover, the report specifically mentions that “Devon’s U.S. methane emissions intensity rate will be used to track progress toward Devon’s goal of achieving a methane intensity rate of 0.28% by 2025,” which was announced by news release on June 10, 2019.⁷ The news release notes that “this [methane intensity rate] target signals the next step in Devon’s continuing proactive pursuit to reduce greenhouse gas emissions and reaffirms the company’s commitment to protecting the environment for future generations.” In addition, the news release emphasizes that “Devon has established a comprehensive and transparent way of accounting for emissions across all its operated assets that goes beyond what’s required by the EPA and represents a significant step toward managing climate risk.” The news release also mentions that “Devon’s new methane-intensity measure will be a component of executive and employee compensation, along with short-term performance that already exists.” Further, the report states Devon’s U.S. methane emissions intensity, measured as a percentage of natural gas produced, from 2015 through 2018. Taken together, Devon’s advances in operational efficiency, such as the LDAR program, sale of its carbon-intensive Canadian business and target to reduce methane emissions intensity, among other such disclosures and programs, demonstrate Devon’s continuing commitment to reduce its total contribution to climate change and, as in *Hess* and *Exxon Mobil*, compare favorably with the guidelines of the Proposal.

Further, Devon’s Sustainability webpage also includes a link, found on the left menu bar of the page, under the “Environment” tab, to Devon’s “Climate Change” webpage, which offers information concerning Devon’s various climate change initiatives, including a “Climate Change Assessment Report.”⁸ The report highlights that in “recognition of the emerging relevance of and stakeholder interest in climate-change risks, Devon’s risk management has included, beginning in 2018, formal and ongoing consideration of the quantifiable effects of climate change on Devon’s portfolio.” Specifically, the report explains that “Devon [has] evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modeled through 2050” and provides a projected asset-specific impact analysis of each modeled scenario. In order to model the impacts of a carbon-constrained future, the report explains, Devon analyzed several scenarios with emissions reductions on the level required to align

⁷ The news release, entitled “Devon Energy Establishes Target to Reduce Methane Emissions” is attached hereto as Exhibit G and available at https://s2.q4cdn.com/462548525/files/doc_news/Devon-Energy-Establishes-Target-to-Reduce-Methane-Emissions.pdf.

⁸ Additional information concerning the Climate Change Assessment Report is attached hereto as Exhibit H and available at http://www.devonenergy.com/documents/Sustainability/Environment/DVN_Climate-Change-Assessment-Report.pdf.

its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below two degrees Celsius. Although some model results under certain low-carbon scenarios (e.g., the IEA Sustainable Development Scenario) indicate that low-carbon scenarios will reduce natural gas prices, the model suggests that Devon's current portfolio is "likely to be resilient to these potential impacts." Furthermore, based on the totality of the analysis, Devon concludes that its current portfolio of investments is "likely to be well-positioned to remain profitable even in an aggressive low-carbon scenario."

Finally, Devon's Sustainability webpage also includes a link, found on the left menu bar of the page, under the "Environment" tab, to Devon's "2019 CDP Climate Response," which discusses Devon's continuing commitment to reducing its total contribution to climate change, including reducing greenhouse gas emissions, with responses to a number of questions directly related to the Proposal's essential objective. For example, Devon states that a key area of its Board of Directors' focus has "been on environmental matters, including potential impact associated with climate change policies." In addition, Devon notes that it is pursuing opportunities to reduce GHG emissions by piloting new technologies and evaluating energy efficiency measures and optimization initiatives. Devon also explains that these advances could achieve meaningful volumes of emission reductions in the future, which would ultimately reduce cost.⁹ In combination with Devon's yearly CDP Climate Response, Devon also responds to As You Sow's "Disclosing the Facts" surveys, which As You Sow describes as a "series of scorecard reports designed to promote improved disclosure and corporate responsibility in the oil and gas sector."¹⁰

Given Devon's detailed reports, news releases and 2019 CDP Climate Response, all of which address the measures being taken to reduce Devon's total contribution to climate change and the resulting impact on Devon's operations and investments, Devon has satisfied the Proposal's essential objective. Even if the Proposal were to be considered or adopted by Devon, there would be scant additional

⁹ Additional information concerning the 2019 CDP Climate Response, including Devon's detailed responses to the questionnaire, is attached hereto as Exhibit I and available at https://www.devonenergy.com/documents/Sustainability/Environment/Greenhouse-Gas-Emissions/DVN_2019-CDP-Climate-Response.pdf.

¹⁰ Additional information concerning the 2018 and 2017 Disclosing the Facts Responses, including Devon's detailed responses to the questionnaires, is attached hereto as Exhibit J and available at https://www.devonenergy.com/documents/Sustainability/Environment/DVN_2018-Disclosing-the-Facts.pdf and https://www.devonenergy.com/documents/Sustainability/Environment/DVN_2017-Disclosing-the-Facts.pdf.

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Office of Chief Counsel
January 29, 2020
Page 8 of 9

information for Devon to disclose given its existing policies, practices, and public disclosures. Therefore, even though the Proposal may not be implemented exactly as proposed by the Proponents, Devon believes that, as in *Hess* and *Exxon Mobil*, its policies and public disclosures compare favorably with those requested by the Proposal.

Accordingly, consistent with the precedent described above, Devon believes that the Proposal may be excluded from the 2020 proxy materials pursuant to Rule 14a-8(i)(10) as substantially implemented.

Conclusion

On the basis of the foregoing, Devon respectfully requests that the Staff concur that it will take no action if Devon excludes the Proposal from the 2020 proxy materials. If the Staff disagrees with the conclusions set forth in this letter, or should any additional information be desired in support of Devon's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response.

If you have any questions with respect to this matter, please do not hesitate to contact me at the email address and telephone number appearing on the first page of this letter.

Very truly yours,



Anthony Saldana

cc: Chris Kirt
Vice President, Corporate Governance and Secretary
Associate General Counsel
Devon Energy Corporation

Danielle Fugere
President
As You Sow

Index to Exhibits

<u>Exhibit</u>	<u>Description</u>
A	As You Sow letters, dated December 23, 2019
B	2019 Sustainability Report (excerpt)
C	Charter of the Environmental, Social, and Governance Steering Committee
D	Webpage, Shareholder Engagement
E	Webpage, Greenhouse Gas Emissions – Leak Detection and Repair Program
F	News Release, “Devon Energy Completes Sale of Canadian Business”
G	News Release, “Devon Energy Establishes Target to Reduce Methane Emissions”
H	Climate Change Assessment Report
I	2019 CDP Climate Response
J	2018 and 2017 Disclosing the Facts Responses

EXHIBIT A

(see attached)



VIA OVERNIGHT MAIL

December 23, 2019

Christopher J. Kirt
Vice President Corporate Governance
and Corporate Secretary
Office of the Corporate Secretary
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102

RECEIVED
DEC 26 2019

BY:

Dear Mr. Kirt,

As You Sow is filing a shareholder proposal on behalf of George Gund Foundation ("Proponent"), a shareholder of Devon Energy Corporation, for inclusion in the company's 2020 proxy statement, and for consideration by shareholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

A letter from the Proponent authorizing *As You Sow* to act on its behalf is enclosed. A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

We are available to discuss this issue and are optimistic that such a discussion could result in resolution of the Proponent's concerns. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at our address set forth above.

Sincerely,

Danielle Fugere
President

Enclosures

- Shareholder Proposal
- Shareholder Authorization
- Shareholder Proof of Ownership

Whereas: The Intergovernmental Panel on Climate Change instructs that global emissions of carbon dioxide must reach "net zero" by 2050 to avoid catastrophic impacts associated with a warming climate. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to an estimated savings of \$20 trillion to the global economy by 2100.

The energy industry is one of the largest contributors to climate change, and Devon's emissions are significant. Devon's future investment choices matter. Every dollar invested in fossil fuel resources that are not aligned with Paris goals increases risk to the economy and investor portfolios.

Investors recognize this growing risk. Norway's sovereign wealth fund announced divestment from oil and gas exploration and production companies. The European Investment Bank and the World Bank announced they will cease funding fossil fuel projects.¹ Other investors are seeking Paris Aligned investments from large emitters.² Criteria for alignment include: disclosure of Scope 1 through 3 emissions; adoption of a net zero by 2050 or equivalent target; a business plan for becoming Paris Aligned; and a declining carbon footprint.

A growing number of oil and gas companies are taking steps to align with Paris goals. Shell announced Scope 3 greenhouse gas intensity reduction ambitions³ and has decreased reserves life below the industry standard of 10 years.⁴ Total has invested substantially in renewable energy and storage. Equinor rebranded itself from 'StatOil' and is diversifying into renewables. Orsted, previously a Danish oil and gas company, sold its fossil fuel portfolio. Repsol announced a net zero by 2050 target, writing down over \$5 billion of unaligned assets.⁵

In contrast, Devon does not report Scope 3 product emissions. Its methane reduction intensity target is short term, limited to operated assets, and does not address Scope 3 product emissions. Devon has no long term business plan to align operations with Paris 1.5 degree goals, instead its direct greenhouse gas emissions and greenhouse gas intensity increased each year from 2016-2018.⁶

¹ <https://www.reuters.com/article/us-climate-europe-eib/european-investment-bank-to-cease-funding-fossil-fuel-projects-by-end-2021-idUSKBN1XO2OS>;

<https://www.worldbank.org/en/topic/climatechange/brief/ga-the-world-bank-group-and-upstream-oil-and-gas>

² <https://climateaction100.wordpress.com/faq/>

³ https://www.shell.com/sustainability/sustainability-reporting-and-performance-data/performance-data/greenhouse-gas-emissions/jcr_content/par/tabbedcontent/tab/textimage.stream/1564572084204/fbfb66b7e35c8ee49204f6e53be4a0144e35d275/climate-change-submission-royal-dutch-shell-final-31.pdf, C4.1b

⁴ <https://www.bloomberg.com/opinion/articles/2019-06-05/shell-spending-plans-show-oil-s-end-is-no-longer-talk>

⁵ https://www.repsol.com/en/press-room/press-releases/2019/repsol-will-be-a-net-zero-emissions-company-by-2050.cshml?utm_campaign=zero_201912_sost-climatico&utm_source=twitter&utm_medium=social

⁶ https://www.devonenergy.com/documents/Sustainability/2019-PDF-Sections/DVN_SR19_75_performance-metrics.pdf

Investors seek additional information from Devon to address these concerns.

Resolved: Shareholders request that Devon Energy issue a report (at reasonable cost, omitting proprietary information) describing if, and how, it plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement's goal of maintaining global temperature rise well below 2 degrees Celsius.

Supporting Statement: Shareholders seek information, at board and management discretion, on the relative benefits and drawbacks of adopting the following actions:

- Disclosing Scope 3 product emissions;
- Adopting greenhouse gas emission reduction targets for the company's full carbon footprint, inclusive of product-related emissions;
- Reducing non-Paris aligned capital investments in oil and/or gas resource development;
- Investing at scale in low carbon energy or other greenhouse gas emission reduction measures.

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Fax 216 241 6560 45 PROSPECT AVENUE WEST
gundfoundation.org CLEVELAND, OHIO 44115

The George Gund Foundation

December 10, 2019

Andrew Behar
CEO
As You Sow
2150 Kittredge St., Suite 450
Berkeley, CA 94704

Re: Authorization to File Shareholder Resolution

Dear Mr. Behar,

The undersigned ("Stockholder") authorizes *As You Sow* to file or co-file a shareholder resolution on Stockholder's behalf with Devon Energy Corporation (the "Company") for inclusion in the Company's 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. The resolution at issue relates to reporting on whether and how the company is aligning its full carbon footprint with Paris climate goals.

The Stockholder has continuously owned over \$2,000 worth of Company stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2020.

The Stockholder gives *As You Sow* the authority to address, on Stockholder's behalf, any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution and that the media may mention the Stockholder's name in relation to the resolution.

The shareholder alternatively authorizes *As You Sow* to send a letter of support of the resolution on Stockholder's behalf concerning the resolution.

Sincerely,



David T. Abbott
Executive Director



investments | trust | banking

Institutional Advisors

December 23, 2019

Chris Kirt
Senior Vice President, Corporate Governance and Secretary
Associate General Counsel
Devon Energy
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015

Mailcode: OH-01-10-0932
100 Public Square, Suite 600
Cleveland, OH 44113

fax: 216-689-5517

Dear Mr. Kirt,

RE: Devon Energy Corporation

KeyBank National Association
127 Public Square
Cleveland, OH 44114

KeyBank National Association
Custodian For The George Gund Fdn
Under Agreement Dated 03/11/2005
Gund*George Fdn-Shapiro Dyn Cust

George Gund Foundation
1845 Guildhall Bldg.
45 Prospect Ave West
Cleveland OH 44115-1005

KeyBank National Association, a DTC participant, is a custodian for the George Gund Foundation. This letter serves as confirmation that the George Gund Foundation owns the Gund*George Fdn-Shapiro Dyn Cust Account. In the account they hold 88,050 shares of Devon Energy Corp. They hold more than \$2000 worth of shares and have held them for more than one year.

Feel free to reach out to me directly if any additional information is required.

Best regards,

Craig Mösier
Vice President
Senior Relationship Manager
KeyBank Institutional Advisors

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• NOT INSURED BY ANY FEDERAL OR STATE AGENCY**

Key Private Bank does not give legal advice.

ADL3546



VIA OVERNIGHT MAIL

December 23, 2019

Christopher J. Kirt
Vice President Corporate Governance
and Corporate Secretary
Office of the Corporate Secretary
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, Oklahoma 73102

Dear Mr. Kirt,

As You Sow is co-filing a shareholder proposal on behalf of Samajak LP for action at the next annual meeting of Devon Energy Corporation. Shareholder is a co-filer of the enclosed proposal with George Gund Foundation, who is the Proponent of the proposal. *As You Sow* has submitted the enclosed shareholder proposal on behalf of Proponent for inclusion in the 2020 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. *As You Sow* is authorized to act on the co-filer's behalf with regard to withdrawal of the proposal.

A letter authorizing *As You Sow* to act on the co-filer's behalf is enclosed. A representative of the lead filer will attend the stockholders' meeting to move the resolution as required. To schedule a dialogue, please contact Lila Holzman, Energy Program Manager at our address set forth above.

Sincerely,

Danielle Fugere
President

Enclosures

- Shareholder Proposal
- Shareholder Authorization



December 30, 2019

SAMAJAK, LP
A PARTNERSHIP
PO BOX 1247
SONOMA, CA 95476

Reference #: ASR-98014

Account number ending in:

Questions: Contact your advisor or
call Schwab Alliance at
1-800-515-2157.

Important Information regarding shares in your account.

SAMAJAK, LP,

We're writing to confirm information about the account listed above, which Charles Schwab & Co., Inc. holds as custodian. This account holds in trust 277 shares of DEVON ENERGY CORP (DVN) common stock. These shares have been held in the account continuously for at least one year prior to and including December 23, 2019.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Co., Inc., which serves as custodian for the registration listed above.

Thank you for choosing Schwab. If you have questions, please contact your advisor or Schwab Alliance at 1-800-515-2157. We appreciate your business and look forward to serving you in the future.

Sincerely,

Seth Deibel
Associate, Institutional
MID-MARKET PHOENIX SERVICE
2423 E Lincoln Dr
Phoenix, AZ 85016-1215

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EXHIBIT B

(see attached)

ENVIRONMENT

The Environment section of our 2019 Sustainability Report includes:

—
Overview

Air Quality

Greenhouse Gas Emissions

Climate Change

Water Management

Land Conservation

Seismicity

Waste Management

Spill Prevention

Well Safety



Environment Overview

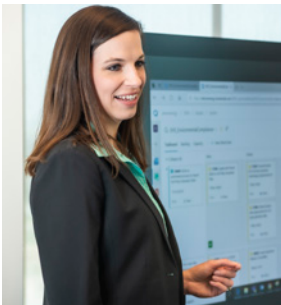


Proactive Stewardship and Conservation

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

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

(continued next page)



Angie Herje
EHS Professional

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

RESOURCES

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

[2019 CDP Climate Change Response](#)

[2019 CDP Water Response](#)

[2018 Disclosing the Facts Response](#)

[Environment, Health and Safety \(EHS\) Philosophy](#)

Describes the expectations and principles that guide the decisions that affect our operations.

[EHS protocols for business processes](#)

Required of employees and contractors to ensure environmental, health and safety compliance. Devon's protocols address air quality; waste management; spill prevention, control and countermeasures; contractor management; pre-construction environmental clearance; training; event reporting; emergency preparedness; risk management; and audits.

[EHS audits](#)

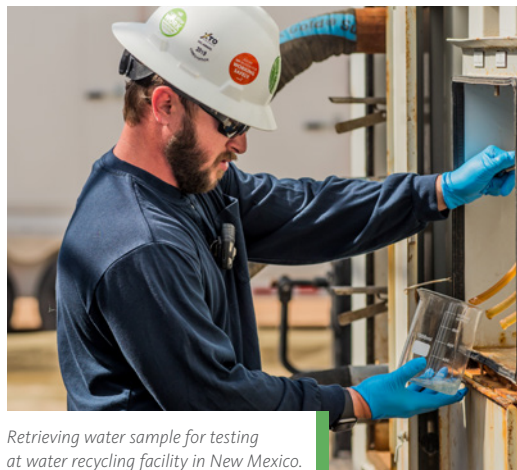
Conducted regularly in each operating area to identify and mitigate environmental risk and improve performance.



Because of our emphasis on environmental stewardship, we've established a positive record of performance recognized by our peers and regulators. We have had a long-standing focus on reducing emissions, and we have documented our efforts and results in CDP (formerly Carbon Disclosure Project) Climate Change Reports for 15 years.

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

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



Retrieving water sample for testing at water recycling facility in New Mexico.

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

Environmental performance management resources

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

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

EHS Council focused on performance

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

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

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



ENVIRONMENT METRICS ¹	2016	2017	2018
Direct GHG Emissions (million tonnes CO₂e)²	5.20	5.37	5.65
U.S.	2.31	2.39	2.60
Canada	2.89	2.98	3.05
Direct and Indirect GHG Emissions (million tonnes CO₂e)²	5.77	5.94	6.30
Due to an increase in activity levels in 2018, our overall emissions slightly increased. However, we remain committed to improving emissions-control technology and leak detection and repair (LDAR) practices, and to reducing venting and flaring.			
GHG Emissions Intensity (tCO₂e/MBOE)²			
U.S.	10.52	11.65	11.77
Canada	56.01	56.30	66.34
Despite increased activity levels in 2018, Devon's U.S. emissions intensity was held largely in check by better facility design and control technology. Canada's emissions intensity increased due to reduced production levels resulting from market conditions, as well as unexpected operational challenges at the Jackfish SAGD facility.			
Methane Emissions (million tonnes CO₂e)²	1.51	1.30	1.22
Methane emissions have been decreasing due to improved emissions-control technologies and improved LDAR practices.			
Methane Emissions Intensity (tCO₂e/MBOE)²			
U.S.	4.31	4.16	3.73
Canada	10.96	8.75	8.54
Lower methane emissions intensity is a result of concerted efforts to reduce venting and flaring and improve our LDAR practices.			
U.S. Methane Emissions Intensity (% of natural gas produced)³	0.315%	0.309%	0.324%
Devon's U.S. methane emissions intensity rate will be used to track progress toward Devon's goal of achieving a methane intensity rate of 0.28% by 2025. While our overall methane emissions and methane intensity rate in tCO ₂ e/MBOE decreased in 2018, our methane intensity rate as a percentage of natural gas produced increased, due in part to lower gas production following the sale of our Johnson County Barnett Shale assets.			
Indirect Emissions - Electricity Use (million tonnes CO₂e)²	0.57	0.57	0.65
Energy Used - Fuel and Electricity Use (trillion BTU)²	81.12	85.70	73.49
Consumption of electricity represents a small portion of our overall emissions profile.			
U.S. Water Usage (million bbl)	25.40	51.32	67.50
Recycled (million bbl)	2.80	4.67	11.75
Sourced (million bbl)	22.60	46.65	55.75
Water use varies with activity levels. A steep industry downturn in 2016 led to significantly reduced activity. However, in any year, Devon seeks alternatives to fresh water supplies.			
U.S. Water Usage Intensity (million bbl/well completion)	0.16	0.22	0.21
Devon is an industry leader in developing recycled-water technologies and best practices.			
Canada Water Usage (million bbl)	10.9	9.4	12.4
Canada SAGD Water Recycle Rate⁴	88.6%	90.7%	87.9%
Canada SAGD Non-Saline Water Usage (million bbl)	0.0	0.0	0.0
Reportable Spill Events Released to the Environment (events)	178	159	212
As we seek to prevent spill events, we remediate, investigate the cause and take corrective action to prevent recurrence.			
Reportable Spill Volumes Released to the Environment (barrels)	3,247	4,101	3,978

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

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

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

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



Air Quality

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

Air emissions performance management

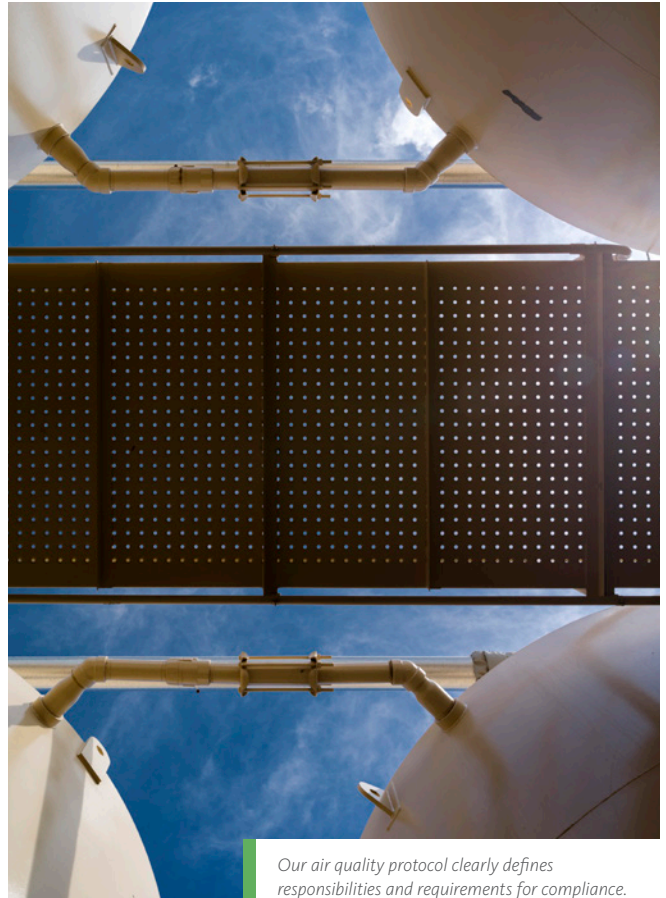
Devon's Environmental, Social and Governance (ESG) Steering Committee reviews our air emissions performance and programs in the context of an evolving regulatory, legal and stakeholder landscape. The Steering Committee communicates current and emerging issues to our senior leaders for consideration in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

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

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

Ensuring compliance

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



Our air quality protocol clearly defines responsibilities and requirements for compliance.

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





Optical gas imaging cameras help detect leaks or confirm properly functioning equipment as shown in the inset photo above.

2018 air emissions methodologies and performance

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

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

Engines that use diesel fuel to power drilling rigs and hydraulic fracturing operations are a significant source of emissions. We've started using engines that run on compressed natural gas (CNG), liquefied natural gas (LNG) or fuel gas

instead of diesel, which lowers emissions, as well as noise and our overall operational footprint. We'll continue to look at alternative fuels, new technologies and other methods to reduce air emissions.

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



Greenhouse Gas Emissions

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

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

GHG emissions methodology and performance

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

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

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

[2019 CDP Climate Change Response](#)

[2018 CDP Climate Change Response](#)

[2017 CDP Climate Change Response](#)

[2016 CDP Climate Change Response](#)



Vapor recovery equipment — Delaware Basin

Partnering, not competing

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

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

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



Reducing methane intensity

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

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

Leak detection and repair program

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



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

few leaks, and almost all the leaks they found were repaired on the same day.

To help our offices meet the regulatory requirements for inspections, our environmental and operations teams developed a mobile app to capture, enter, track and document LDAR survey findings. The app automatically syncs with our enterprise data system, schedules any needed repairs, creates work orders and documents successful repairs, all of which are required for compliance. As a result, our LDAR program is more efficient, consistent and systematic, and we can track our repairs to further refine our preventive maintenance programs.



We strive to avoid venting and to limit flaring at all locations, both to protect the environment and to capture and retain as much gas as possible for its economic value. To do this, we continually evaluate and optimize facility design; install and maintain reliable pressure-relief valves to minimize tank releases; install vapor-recovery equipment to capture flash gas emissions and route them to a pipeline. We also use green completions to capture produced gas during completions and well workovers following hydraulic fracturing. Where flaring is unavoidable, we install monitoring equipment to help ensure the gas is properly destroyed rather than vented.

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



Command station for automation equipment at a facility in the Delaware Basin.

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

Climate Change

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

Listening to our stakeholders

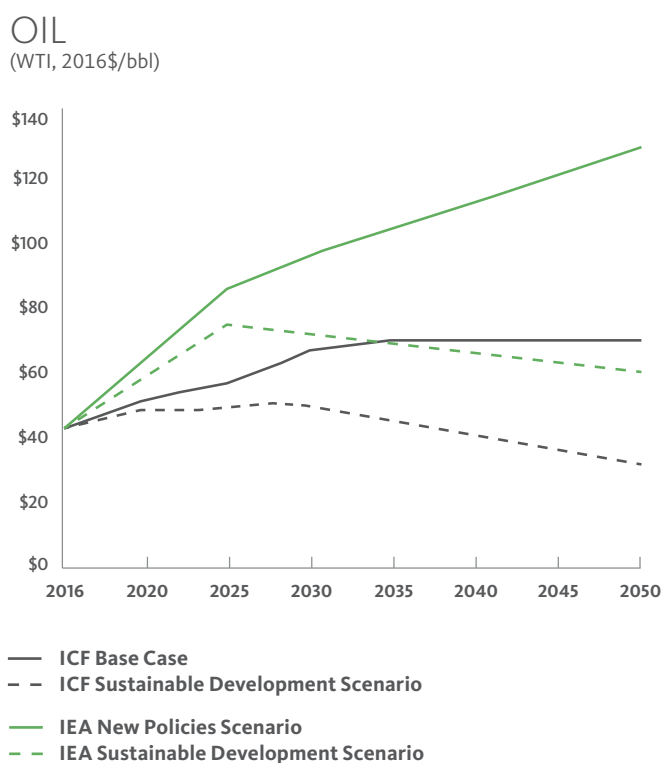
Understanding the political, legal, technological, market and reputational risks of the transition to a lower-carbon economy is important to Devon's business. Aligned with our stakeholders, Devon is committed to understanding the potential impacts of climate change and a possible carbon-constrained future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

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

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

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

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



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

[Climate Change Assessment Report](#)



Water Management



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

Committed to water conservation and reuse

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

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

Water-use performance management

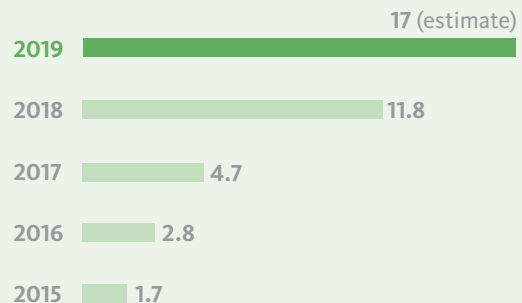
In some of Devon's operating areas, water users are competing for limited supplies, which constitutes the World Resources Institute's definition of baseline water stress. This is why we seek to conserve, reuse and recycle as much water as we can.

To manage water responsibly in water-stressed areas and throughout our operations, we're guided by the environmental stewardship principle in our Environmental, Health and Safety (EHS) Philosophy. We continually seek to understand our relationship to the environment and adopt technically sound and economically feasible controls that will minimize our impact to the environment. Devon's water principles – stakeholder

38 million

BARRELS OF REUSED WATER
OVER THE LAST 5 YEARS

Devon's reused water volumes in New Mexico, by year:
(millions of barrels)



engagement, water-management planning, technology evaluation and deployment, and best-practices development – help us execute a sustainable water-management strategy that balances ecological, economic, operational and social issues.

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

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



Conserving water in the Delaware Basin

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

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

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

suitable for aquifer recharge and other beneficial uses. To make this possible, the regulatory framework for reusing desalinated produced water also needs to be developed. We'll continue to work with stakeholders and apply our water stewardship principles to conserve fresh water in New Mexico.

Local approach to water management

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

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

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

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

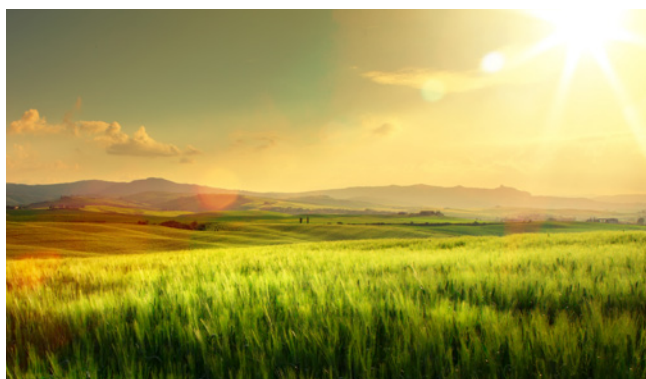
U.S. WATER USAGE BY OPERATING AREA (million bbl)	
OPERATING AREA	2018
STACK	27.4
Delaware Basin	23.3
Rockies	3.3
Texas	13.4
Total U.S.	67.4



Land Conservation

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

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



and related land-stewardship activities. Devon employees join the students for a day to share insights about the oil and gas industry and host a visit to active operations. In 2019, we celebrated our 12th year of

Assessing first

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

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

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

Conservation and biodiversity projects

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

Devon has partnered with the Wyoming Conservation Corps (WCC) since 2007 to involve youth in conservation around the state. Each year, WCC students complete a 10-day project of habitat restoration

partnership. Our WCC projects create lasting benefits for public lands in Wyoming, while informing the students about energy production, environmental stewardship and land management.

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

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



Seismicity

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

Devon data aids research

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

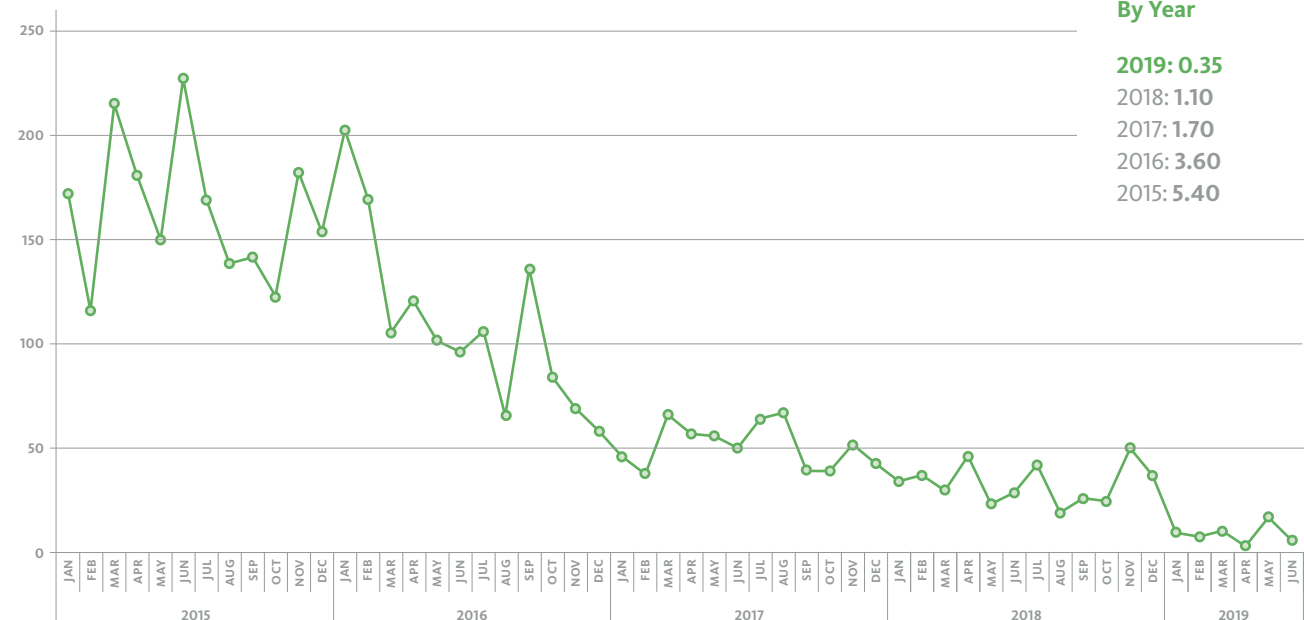
The company is an original member of the Stanford Center for Induced and Triggered Seismicity, which was founded in 2013 to undertake fundamental research on the physical processes responsible for certain seismic activity. Stanford has taken the lead in developing a scientific framework for assessing the risk of earthquakes. We’ve contributed data generated during our drilling and production activities to aid Stanford’s research into the

stresses that exist in the earth’s crust, and we have taken part in other efforts aimed at understanding and addressing seismicity.

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

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

OKLAHOMA EARTHQUAKE COUNT MAGNITUDE 2.7 OR HIGHER



Sources: Oklahoma Corporation Commission, Oklahoma Geological Survey



Waste Management

Being a good neighbor and good steward of the environment requires Devon to properly manage the waste generated in our oil and gas field operations and in our offices.

We encourage employees and contractors to reduce the amount of waste for disposal whenever possible through reuse, recycling and source reduction.

Everyone has an important role

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

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

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



Spill Prevention

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

Comprehensive program to stop spills before they happen

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

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

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

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



Monitors, alarms and remote communications are key tools in preventing spills.

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

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





Berms and containment walls minimize the impact of discharged fluids.

Tracking and reporting spills

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

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

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

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

NEW CALCULATION METHODOLOGY FOR LOST-SPILL RATE:

$$\frac{\text{BARRELS LOST (Reportable to Regulatory Agency + Offsite Lost Spills)} \times 1,000,000}{\text{BARRELS MOVED (Produced Oil + Produced Water + Recycled Water)}}$$



Well Safety

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

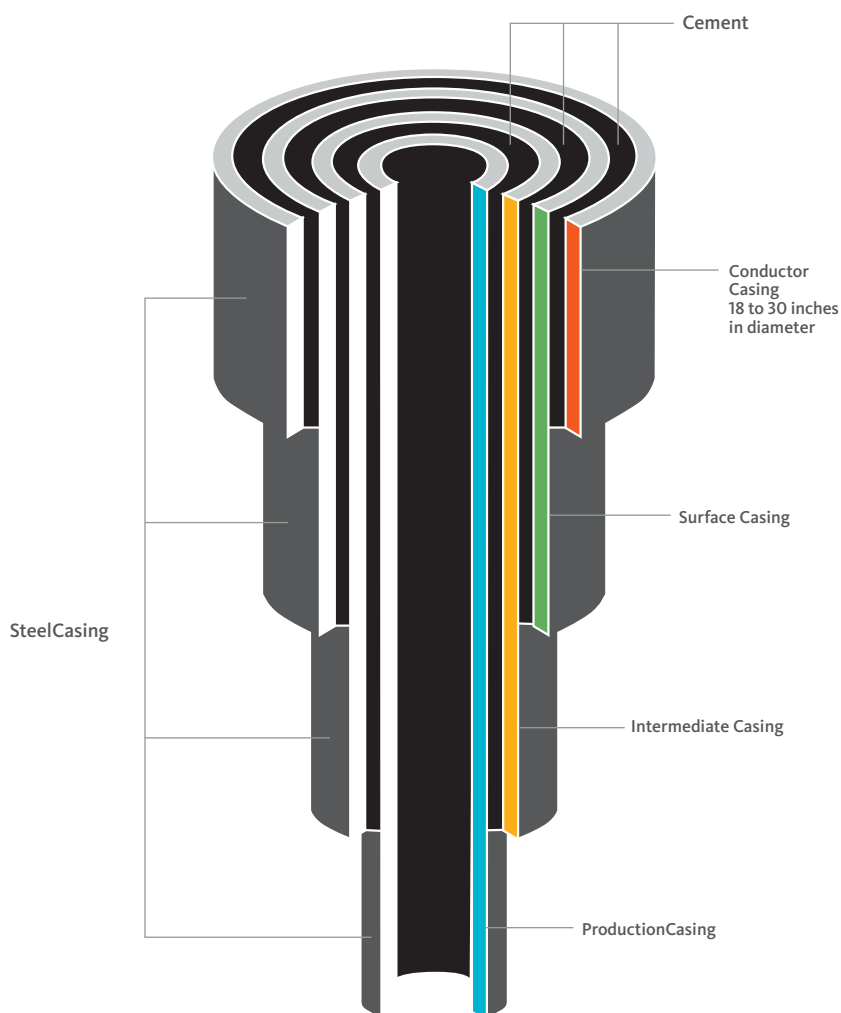
Attention to well construction

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

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

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

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





Managing fluids to minimize impacts

Determining the drilling fluids that will be used is part of the design phase before we drill a well. We prefer to use water-based fluids, but some rock formations require the use of oil-based fluids. When we use oil-based fluids, we employ a closed-loop system for safety and environmental protection. In keeping with the EPA Spill Prevention, Control and Countermeasure (SPCC) Rule, we keep plans at drilling locations to minimize the impact of potential spills. We follow local, state and federal guidelines when handling drilling fluid and mud systems.

After a well is drilled, the next step is to complete it using a process known as hydraulic fracturing. Water, sand and additives are pumped into the wellbore to create or restore small fractures in the rock to stimulate production from new or existing oil and gas wells. Water and sand make up 98 to 99.5% of the mixture. A full registry of wells and chemical additives, along with much more information about hydraulic fracturing, is available at fracfocus.org. Devon played a leading role in the creation of Frac Focus in 2011 and continues to be a leading contributor of information to the site.

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



EXHIBIT C

(see attached)



DEVON ENERGY CORPORATION

CHARTER OF THE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE STEERING COMMITTEE (as approved on December 4, 2017)

1. Purpose

The purpose of the Environmental, Social, and Governance Steering Committee (the “ESG Committee”) of Devon Energy Corporation (the “Company”) is to support the Company’s on-going commitment to environmental, health, and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively, “ESG Matters”) by assisting the senior management of the Company in: (a) setting the Company’s general strategy relating to ESG Matters, as well as developing, implementing, and monitoring initiatives and policies at the Company based on that strategy; (b) overseeing communications with employees, investors, and other stakeholders of the Company with respect to ESG Matters; and (c) monitoring and anticipating developments relating to, and improving the Company’s understanding of, ESG Matters.

2. Membership

The members of the ESG Committee will be approved by the Executive Committee of the Company (the “Executive Committee”) from time to time. The members of the ESG Committee will include such officers and employees of the Company as the Executive Committee deems appropriate, taking into account, among other things, such person’s expertise in relevant disciplines, including environmental, health, and safety, operations, legal, investor relations, government affairs, corporate governance, finance, human resources, and communications.

3. Meetings

Unless otherwise determined by the ESG Committee, the ESG Committee will hold regular meetings quarterly. The ESG Committee may meet at such other times as necessary or appropriate to fulfill its duties and responsibilities. The ESG Committee may ask other officers and employees of the Company to attend the meetings to provide pertinent information as requested. Members of the ESG Committee may participate in meetings through telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. The Chairperson of the ESG Committee, or his or her designee, is responsible for scheduling and setting the agenda for meetings. The Executive Vice President and General Counsel of the Company will serve as the initial Chairperson of the ESG Committee.

4. Duties and Responsibilities

The ESG Committee will have, without limitation, the following duties and responsibilities:

- (a) to assist the management of the Company in setting the Company's general strategy with respect to ESG Matters, and to consider and recommend policies, practices, and disclosures that conform with the strategy;
- (b) to assist the management of the Company in overseeing internal and external communications with employees, investors, and other stakeholders regarding the Company's position on or approach to ESG Matters, including by coordinating and reviewing, as appropriate, draft responses, reports, or other disclosures to stakeholders;
- (c) to consider, and bring to the attention of the management of the Company, as appropriate, current and emerging ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders, and to make recommendations to the management of the Company, as appropriate, regarding how the Company's policies, practices, and disclosures can adjust to or address such trends and issues;
- (d) to advise the management of the Company on stockholder proposals and other significant stakeholder concerns relating to ESG Matters;
- (e) to review the Company's strategy, policies, practices, and disclosures for consistency with respect to ESG Matters, and to make such recommendations to management with respect thereto as it may deem advisable;
- (f) to review and assess this Charter annually and recommend any proposed changes for approval; and
- (g) to perform such other duties, tasks, and responsibilities relevant to the purpose of the ESG Committee as may from time to time be requested by the Executive Committee.

5. Reporting and Delegation

The ESG Committee will report to the Executive Committee and to such other members of the senior management of the Company as the Executive Committee may from time to time designate.

The ESG Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to one or more subcommittees of the ESG Committee.

EXHIBIT D

(see attached)



devon

NYSE
DVN 22.62 ▲ 0.00

Shareholder Engagement

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

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

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

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

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

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

With guidance from our ESG Steering Committee, we're continuing our engagements to ensure we deliver on our commitments to stakeholders.

ESG Committee Charter

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



Commitment Runs Deep

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EXHIBIT E

(see attached)



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Greenhouse Gas Emissions

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

METHANE EMISSIONS INTENSITY — 2025 TARGET
% of natural gas produced

0.28%

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

GHG emissions methodology and performance

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

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

We've demonstrated this by voluntarily reporting on how we control and reduce emissions via CDP (formerly Carbon Disclosure Project) for 15 years. Our CDP climate change disclosures are publicly available (see links at right).

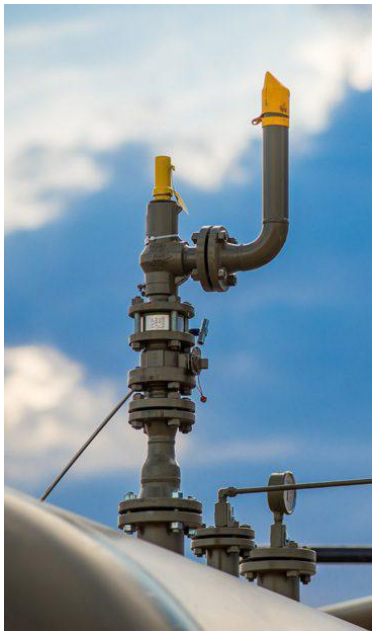
Partnering, not competing

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

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

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

Reducing methane intensity



We're reducing emissions by doing more than regulations require.

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

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

Leak detection and repair program

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

Each Devon business unit employs environmental operators who are primarily focused on conducting infrared camera surveys and making sure repairs are successful. Using LDAR data, we've been able to further refine our proactive maintenance programs by



Vapor recovery equipment — Delaware Basin

identifying the equipment most likely to develop leaks. This has led to replacing certain tank valves with thief hatches that have a lower leak rate and focusing on specific equipment failures and settings. It has also improved flare maintenance and allowed us to verify performance of vapor recovery units (VRU). In 2018, our operators surveyed nearly 1,500 Devon facilities across all four of our U.S. business units. They found very few leaks, and almost all the leaks they found were repaired on the same day.

To help our offices meet the regulatory requirements for inspections, our environmental and operations teams developed a mobile app to capture, enter, track and document LDAR survey findings. The app automatically syncs with our enterprise data system, schedules any needed repairs, creates work orders and documents successful repairs, all of which are required for compliance. As a result, our LDAR program is more efficient, consistent and systematic, and we can track our repairs to further refine our preventive maintenance programs.

We strive to avoid venting and to limit flaring at all locations, both to protect the environment and to capture and retain as much gas as possible for its economic value. To do this, we continually evaluate and optimize facility design; install and maintain reliable pressure-relief valves to minimize tank releases; install vapor-recovery equipment to capture flash gas emissions and route them to a pipeline. We also use green completions to capture produced gas during completions and well workovers following hydraulic fracturing. Where flaring is unavoidable, we install monitoring equipment to help ensure the gas is properly destroyed rather than vented.



Command station for automation equipment at a facility in the Delaware Basin.

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

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

CDP Climate Change Responses

[2019 CDP Climate Response](#)

[2018 CDP Climate Response](#)

[2017 CDP Climate Response](#)

[2016 CDP Climate Response](#)

Disclosing the Facts Responses

[2018 Disclosing the Facts](#)

[2017 Disclosing the Facts](#)



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EXHIBIT F

(see attached)



NEWS RELEASE

Devon Energy Completes Sale of Canadian Business

6/27/2019

OKLAHOMA CITY, June 27, 2019 (GLOBE NEWSWIRE) -- Devon Energy Corp. (NYSE: DVN) today announced that it has completed the sale of its Canadian business to Canadian Natural Resources Limited for CAD \$3.8 billion, or USD \$2.8 billion. Devon received net proceeds of USD \$2.5 billion, after adjusting for purchase price adjustments and estimated taxes associated with the sale. The company plans to repatriate the net sales proceeds along with Canadian cash balances of approximately USD \$500 million to the U.S. to repay debt.

To complete the company's transformation to a high-return U.S. oil growth business, Devon continues to advance the divestiture process for its Barnett Shale gas assets in north Texas. The Barnett assets are currently being marketed and the company expects to exit the assets by the end of 2019.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company. These risks include, but are not limited to: the amount of net proceeds and other cash ultimately repatriated, and the ultimate use of such cash; changes in commodity prices, market conditions or other circumstances that could negatively impact the company's ability to complete the anticipated debt repurchase; our ability to successfully exit the Barnett assets and the timing of any such transaction; and the other risks identified in the Company's Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission (SEC). Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this press release are made as of the date hereof, and the company does not undertake any obligation to update the forward-looking statements as a result of new information, future events or otherwise.

About Devon Energy

Devon Energy is a leading independent energy company engaged in finding and producing oil and natural gas. Based in Oklahoma City and included in the S&P 500, Devon operates in several of the most prolific oil and natural gas plays in the U.S. with an emphasis on achieving strong returns and capital-efficient cash-flow growth. For more information, please visit www.devonenergy.com.

Investor Contacts

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Chris Carr, 405-228-2496

Media Contact

John Porretto, 405-228-7506

Source: Devon Energy Corporation

EXHIBIT G

(see attached)



NEWS RELEASE

Devon Energy Establishes Target to Reduce Methane Emissions

6/10/2019

OKLAHOMA CITY--(BUSINESS WIRE)-- Devon Energy Corp. (NYSE: DVN) announced today it is establishing a voluntary, company-specific target to reduce methane emissions for its U.S. oil and natural gas production operations, consistent with its core value of being a good environmental steward. By 2025, Devon will achieve a methane-intensity rate of 0.28 percent or lower. In 2018, Devon's methane-intensity rate was estimated at 0.32 percent, which is pending EPA review and third-party verification.

Setting this target signals the next step in Devon's continuing proactive pursuit to reduce greenhouse gas emissions and reaffirms the company's commitment to protecting the environment for future generations.

Devon has established a comprehensive and transparent way of accounting for emissions across all its operated assets that goes beyond what's required by the EPA and represents a significant step toward managing climate risk. The company's methane-intensity rate is calculated based on emissions from Devon-operated oil and natural gas production facilities as a percentage of natural gas produced. This includes all sources of emissions as reported to the EPA, plus emissions from all basins that fall below the threshold that require EPA reporting and would otherwise go unreported.

"By continuing to operate responsibly and increasing our focus on leak detection and repair, we're confident we can meet this ambitious target," said Dave Hager, Devon president and CEO. "The actions we're taking reaffirm our commitment to responsible production operations, going beyond what is required by law in pursuit of continuous improvement in environmental performance."

As part of its overall methane emissions management program and to help achieve and maintain the intensity goal, Devon is proactively executing leak detection and repair (LDAR) at sites where LDAR is not required by federal or

state regulation. Devon has trained personnel whose primary focus is conducting infrared camera surveys and ensuring that any necessary repairs are successful. The data collected through this program will allow Devon to establish best management practices and identify technology, equipment and materials for improved performance.

Devon's new methane-intensity measure will be a component of executive and employee compensation, along with short-term emissions performance that already exists.

For more information about Devon's past methane-intensity rate, please see the **performance metrics** section of the company's Sustainability Report at www.devonenergy.com/sustainability.

About Devon Energy

Devon Energy is a leading independent energy company engaged in finding and producing oil and natural gas. Based in Oklahoma City and included in the S&P 500, Devon operates in several of the most prolific oil and natural gas plays in the U.S. with an emphasis on achieving strong corporate-level returns and capital-efficient cash-flow growth. For more information, please visit www.devonenergy.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company. These risks include, but are not limited to: the delay or failure to limit methane emissions; legislative, fiscal and regulatory developments, including regulatory measures addressing climate change and environmental laws; technological advances, changes and impacts that could differ materially depending on political or regulatory changes; operating factors; and the other risks identified in the Company's Annual Report on Form 10-K and its other filings with the Securities and Exchange Commission. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this press release are made as of the date hereof, 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.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20190610005538/en/>

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Source: Devon Energy Corporation

EXHIBIT H

(see attached)

DEVON ENERGY

Climate Change Assessment Report



Executive Summary

Scope and Context

Devon and its stakeholders are committed to understanding the potential impacts of climate change on Devon's long-range business plans. As part of Devon's efforts to collaborate with its stakeholders and better understand the potential long-term impacts of a possible carbon-constrained future, Devon retained an outside consultant (ICF)¹ to help assess Devon's oil and natural gas portfolio in relation to these potential impacts. During this assessment, 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. Devon evaluated pricing scenarios and model results from both ICF and the widely-referenced International Energy Agency (IEA).

Analysis

This report considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. Because the IEA and ICF base case scenarios differ in their baseline assumptions, analyzing both of them provides a level of robustness against alternative future scenarios. To model the impacts of a carbon-constrained future, the analysis applies, under both scenarios, IEA's assumptions about demand for oil and natural gas under aggressive carbon-reduction policies.

In the carbon-constrained scenarios, demand for oil and natural gas is substantially reduced. However, even in such carbon-constrained scenarios, oil and natural gas remain a crucial component for fulfilling global energy demand. 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.

Key Conclusions

- Even in the carbon-constrained future scenarios, oil and natural gas remain crucial to meeting global energy demand.
- Model results indicate that aggressive low-carbon scenarios will reduce oil, natural gas, and natural gas liquids (NGLs) prices by 23-37%; even in such low-carbon scenarios, the model results suggest that Devon's current portfolio is likely to be resilient to these potential impacts.
- Based on the comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, Devon concludes that its assets are likely to be well-positioned to remain profitable even in an aggressive low-carbon scenario.
- Model results under some low-carbon scenarios (e.g., the IEA Sustainable Development Scenario) reflect that oil, natural gas, and NGLs prices will be robust and Devon's current portfolio is likely to thrive under these scenarios.

¹ With more than 65 offices around the globe, ICF is internationally recognized for its consulting in carbon accounting, greenhouse gas mitigation, climate change, and resilience planning. ICF was retained as an independent consultant to generate pricing scenarios.



Business Risk from Climate Change: An Emerging Area of Importance

There is an increasing level of awareness and understanding about the potential risks to business from climate change. The risks to different types of businesses may be varied, including impacts to businesses operation, capital investments, long-range planning and strategy, and worker health and safety. The Task Force on Climate-related Financial Disclosures (TCFD), an international, industry-led body formed to develop recommendations for consistent disclosure of climate-related risk, has proposed that businesses assess risks related to the transition to a lower-carbon economy and those posed by the physical impacts of climate change. The “transition” risks include:

Policy and legal risk: Business impacts from greenhouse gas (GHG) reduction policies or policies aimed at adapting to the impacts of climate change (e.g. water conservation policies). Risks of litigation around failure to mitigate climate change impacts or to sufficiently disclose material financial risks.

Technology risk: Supplanting of current dominant technologies by new technologies developed for the purpose of transitioning to a lower-carbon economy (e.g., renewable energy, battery storage).

Market risk: Changes in supply and demand for products and services as a result of climate-related changes in the market.

Reputation risk: Changing public perceptions of firms as a result of their perceived role in mitigating or exacerbating climate change.²

In response to stakeholder interest, this report focuses primarily on transition risks, in particular the risks of potential changes in demand and price for oil and natural gas as a result of GHG-reduction policies. In addition to the transition risks, the TCFD also notes that companies’ operations may be subject to direct physical risks from climate-change impacts, such as rising seas or more frequent heat waves. These risks are not the focus of this report, but are discussed in the Other Potential Climate-Related Risks section below.

² Task Force on Climate-related Financial Disclosures. “Recommendations of the Task Force on Climate-related Financial Disclosures.” p. iii, 5-6. June 2017.



Devon's Risk Management Approach

Devon has a variety of governance and analytical measures in place to evaluate the risks to its core business. Devon uses a risk management framework that includes an annual analysis of the top risks to the company. This analysis asks Devon's Board of Directors, management and certain internal subject matter experts to consider the likelihood that certain risks could result in an impact to the company and to identify, among other things, the company's level of preparedness for those risks. Devon frequently engages in other exercises to identify risks to the company and conducts workshops with Devon personnel on risk mitigation strategies.

Devon also relies on various third parties to supplement Devon's analyses and works with evolving regulatory developments. Devon regularly models numerous regional and macro-level scenarios, such as changes in regulations or market conditions, as well as acquisitions or divestitures, to test the strength of its portfolio of reserves and resources. On an annual basis, these modeled scenarios inform the strategic decision-making of Devon's Executive Committee and Board of Directors, culminating in Devon's annual long-range plan. At least quarterly, Devon reviews business results, market conditions, and other factors to evaluate both progress and challenges to the long-range plan.

Going Forward: Formal Consideration of Climate Change Risks

In recognition of the emerging relevance of and stakeholder interest in climate-change risks, Devon's risk management has included, beginning in 2018, formal and ongoing consideration of the quantifiable effects of climate change on Devon's portfolio. Devon's risk evaluation uses a scenario analysis of technology and market conditions that considers pricing scenarios that are at least as challenging as IEA's Sustainable Development Scenario and runs through at least 2040 (this report analyzes through 2050).

In addition to potential market impacts of decarbonization policy, risk factors to be considered in future analyses may also include changes in state and federal methane policy, the impacts of greenhouse-gas regulation on upstream costs, climate-motivated restrictions on oil and natural gas production and transport, and changes in availability in investor funds due to activist-driven divestment efforts. Through this ongoing review, Devon plans to closely monitor climate-change related impacts in the market and policy environment and to remain prepared to adapt. Devon is also committed to continuing dialogue with its management, Board of Directors, and stakeholders about these risks.



Analytical Approach and Results of Assessment

KEY TAKEAWAYS

- Even in the carbon-constrained future scenarios, oil and natural gas remain crucial to meeting global energy demand.
- Model results indicate that aggressive low-carbon scenarios will reduce oil, natural gas, and NGLs prices by 23-37%; even in such low-carbon scenarios, the model results suggest that Devon's current portfolio is likely to be resilient to these potential impacts.
- Based on the comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, Devon concludes that its assets are likely to be well-positioned to remain profitable even in an aggressive low-carbon scenario.
- Model results under some low-carbon scenarios (e.g., the IEA Sustainable Development Scenario) reflect that oil, natural gas, and natural gas liquids prices will be robust and Devon's current portfolio is likely to thrive under these scenarios.

Introduction to Analysis

This report considers two different base case scenarios for the oil and natural gas market and compares each to an alternate carbon-constrained future scenario, in which demand for oil and natural gas is substantially reduced. Both scenarios have been generated for this report by the consulting firm ICF, with modeling conducted for oil, natural gas, and propane (the latter as a proxy for NGLs).³ The first scenario is based on ICF's assumptions, and the second is based on widely-referenced projections by the International Energy Agency (IEA). Because the two scenarios differ in their baseline assumptions, analyzing both of them provides a level of robustness against alternative future scenarios. To model the impacts of a carbon-constrained future, the analysis applies, under both scenarios, IEA's assumptions about demand for oil and natural gas under aggressive carbon-reduction policies. The carbon-constrained scenarios include emissions reductions on the level required to achieve the goals of the Paris Agreement and align with an emissions pathway with an approximately even probability of limiting global temperature increases to 2°C.

The following section provides a short introduction to the scenarios considered. For more detail on methodology, please refer to the appendix of this report.

³ Propane prices are estimated by applying the average historical ratio of crude to propane (~50%).



Base Case Scenarios

ICF Base Case

This scenario represents ICF's standard baseline energy market scenario. Its assumptions fall in line with many other projections from industry consultants and banks. It assumes robust growth for natural gas in North America (40% growth through 2050), including liquefied natural gas (LNG) exports and exports to Mexico. Global oil market growth is assumed from the IEA forecast.

The ICF Base Case applies ICF-derived natural gas-price elasticities and IEA oil-price elasticities over time. It projects an average 2020-2050 WTI oil price of \$64 per barrel (\$/Bbl) and an average Henry Hub natural gas price of \$4.00 per MMBtu (\$/MMBtu) over the same period.⁴

IEA New Policies Scenario

The IEA New Policies Scenario projects global energy market trends based on currently enacted policies and the likely impacts of officially announced new policies that will affect the energy sector. This analysis uses the New Policies Scenario as a base case for the IEA projections.⁵ IEA's 2017 New Policies Scenario projects an average 2020-2050 importer cost of crude of \$100/Bbl (which ICF converted into an average WTI oil price of \$102/Bbl) and an average Henry Hub natural gas price of \$4.97/MMBtu over the same period.

In comparison with the ICF base case scenario, the higher prices in the IEA New Policies Scenario imply a less robust resource base or higher costs for oil and natural gas supply development. Natural gas market growth, much of it in North America, is also more modest in the IEA scenario (which shows 10% growth by comparison), implying less production growth. The IEA scenario falls in line with the U.S. Energy Information Administration's (EIA) forecasts.

Carbon-Constrained Scenarios

ICF Sustainable Development Case

This analysis included a low-carbon scenario to model the market impacts of aggressive carbon reductions on the ICF Base Case. To estimate the reduction in demand for oil and natural gas, the Sustainable Development Case takes the percentage change in demand from IEA's New Policies Scenario to its Sustainable Development Scenario (described below) and applies this same demand-reduction percentage to ICF's baseline assumptions. The Sustainable Development Case uses an IEA-derived oil-price elasticity of demand and an ICF-derived natural gas-price elasticity of demand. This report refers to such low-carbon scenario as the Sustainable Development Case, given its basis in IEA's Sustainable Development Scenario.

⁴ All prices in this report are given in real 2016 dollars.

⁵ While the published IEA scenarios only project to 2040, ICF has extrapolated them out to 2050.



IEA Sustainable Development Scenario

The analysis included an assessment of the price impacts of IEA's Sustainable Development Scenario, the primary carbon-reduction scenario in IEA's 2017 World Energy Outlook.⁶ In the IEA Sustainable Development Scenario, markets are constrained by policies that achieve three objectives:

- Reductions in GHG emissions consistent with achieving of the goals of the Paris Agreement, including a near-term peak in global GHG emissions and a pathway toward net-zero emissions by 2100;
- Universal global access to modern energy by 2030; and
- A substantial reduction in non-GHG energy-related pollutants.

Demand levels in the IEA Sustainable Development Scenario reflect a suite of aggressive worldwide policy actions to restrict GHG emissions. These assumptions include carbon prices applied to the power and industrial sectors of most major economies. Assumed carbon prices in advanced economies increase from \$63 per metric ton of CO₂ in 2025 to \$140 per metric ton in 2040. In Brazil, Russia, South Africa, and China, assumed prices are \$43 per metric ton in 2025 and \$125 per metric ton by 2040.⁷

The effectiveness of the IEA Sustainable Development Scenario in limiting global temperature change to 2 degrees Celsius is dependent on global emissions trends through 2100, while IEA's current scenario only projects through 2040. This scenario, therefore, is best interpreted as a pathway that puts in place sufficient conditions to produce a likelihood of achieving that goal through further action in the latter half of the century.⁸

⁶ The analysis also considered projections from IEA's 450 Scenario as described in the 2016 IEA World Energy Outlook. That scenario is based on comparable GHG restrictions to the Sustainable Development Scenario, but does not include the latter two goals listed above. Because the Sustainable Development Scenario has replaced the 450 Scenario in the World Energy Outlook as of 2017, and because the 2017 version of that scenario produces lower prices across the board as compared to the 2016 450 Scenario, this report takes a conservative approach and focuses only on the Sustainable Development Scenario.

⁷ IEA World Energy Outlook 2017, pg. 48.

⁸ IEA World Energy Outlook 2017, pg. 37-38.



Assessment Results

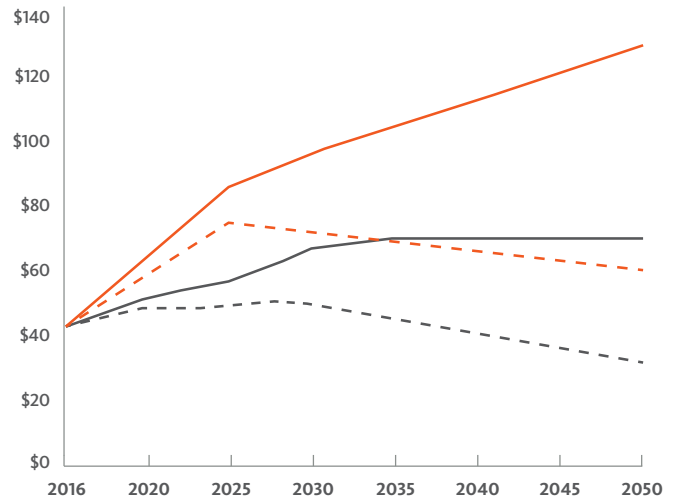
The assessment of climate impacts across these four scenarios found that aggressive carbon-restriction policies result in significantly reduced prices for oil and NGLs and marginally reduced prices for natural gas. Figure 1 shows the projected price trajectories for each product in each of the modeled scenarios.

Figure 1: Projected Price Trajectories for Oil, Natural Gas, and Propane in Base Case and Sustainable Development Scenarios

- ICF Base Case
- - ICF Sustainable Development Scenario
- IEA New Policies Scenario
- - IEA Sustainable Development Scenario

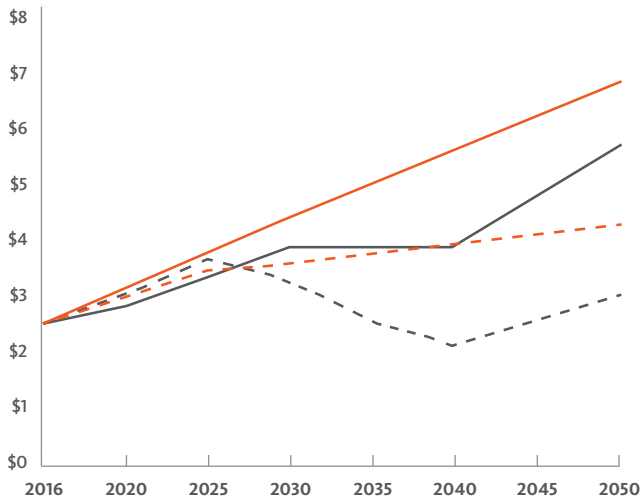
OIL

(WTI, 2016\$/bbl)



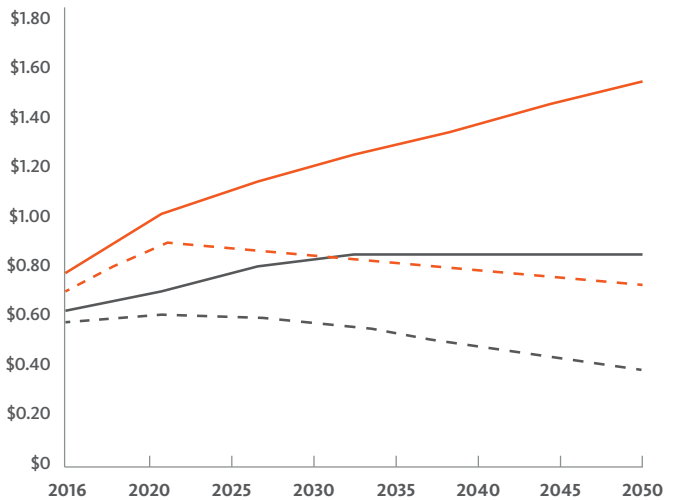
GAS

(Henry Hub, 2016\$/MMBtu)



IMPLIED PROPANE

(2016\$/gallon)



Source: ICF analysis of ICF and IEA data



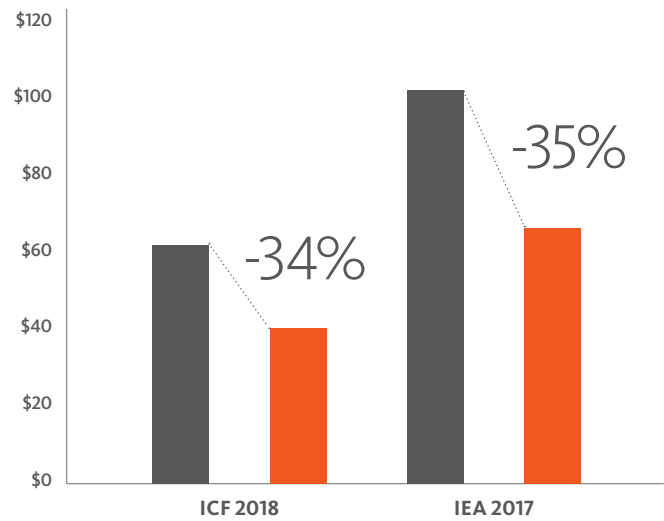
Assessment Results

Figure 2 shows the average price for each commodity over the 2020-2050 period in each scenario, and the change between the base case and the climate scenarios.

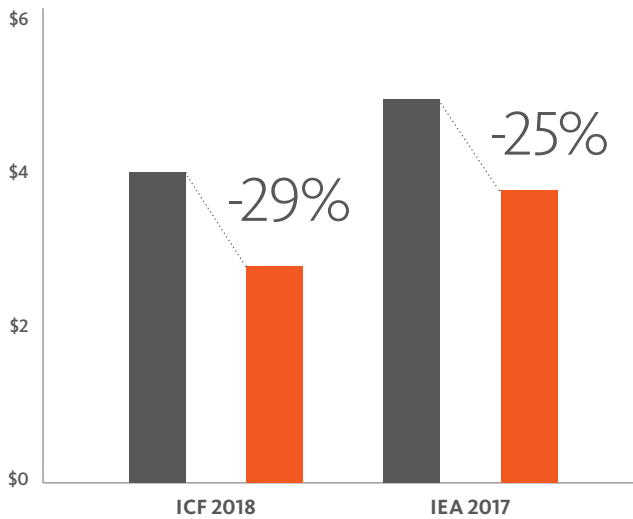
Figure 2: Change in Projected Prices by Scenario (2020-2050 average, 2016\$)

- Base Case (ICF) / New Policies Scenario (IEA)
- Sustainable Development Case (ICF) / Sustainable Development Scenario (IEA)

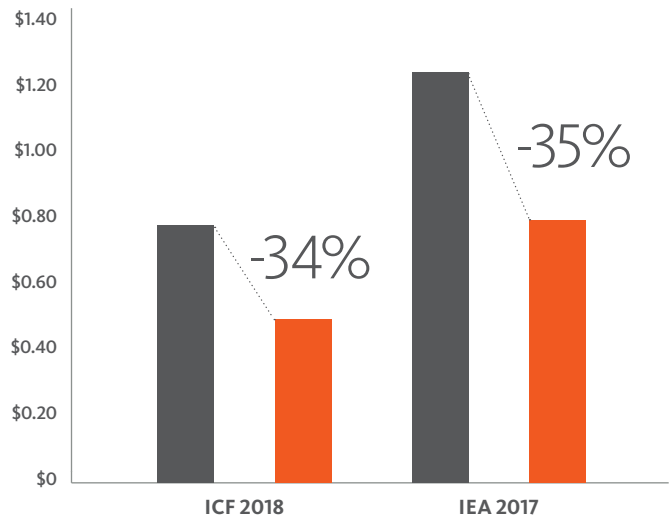
OIL
(WTI, 2016\$/bbl)



GAS
(Henry Hub, 2016\$/MMBtu)



IMPLIED PROPANE
(2016\$/gallon)



Source: ICF analysis of ICF and IEA data



Regional Price Differentials and Breakeven Analysis

In order to project asset-specific impacts of various potential price futures, ICF projected the regional price impacts of each modeled scenario. ICF also conducted an analysis of breakeven prices for Devon's major assets based on published third-party breakeven figures.

ICF Regional Oil Prices

Average 2020-2050 regional oil prices in the ICF Sustainable Development Case range from \$32/Bbl in Western Canada to about \$42/Bbl in Cushing (Figure 3). Regional price levels have been estimated by using historical price differentials between each region. The 2014-2018 average basis between the WTI Cushing price and each regional hub has been applied to the WTI price forecast. Average 2020-2050 regional oil prices in the ICF Base Case range from \$48/Bbl in Western Canada to about \$64/Bbl in Cushing. Basis differentials have been separately estimated for the ICF Sustainable Development Case. In that case, the 2013-2017 average basis between the WTI Cushing price and each regional hub has been applied to the WTI price forecast.

Figure 3: ICF Regional Oil Prices, Average 2020-2050, 2016\$/Bbl

	ICF Base Case	ICF Sustainable Development	\$ Change	% Change
WTI Cushing	\$64	\$42	(\$23)	-35%
Permian	\$62	\$40	(\$22)	-35%
Eagle Ford	\$61	\$39	(\$22)	-37%
Barnett	\$64	\$41	(\$23)	-36%
Powder River Basin ⁹	\$63	\$41	(\$23)	-36%
Western Canada Select	\$48	\$32	(\$17)	-35%

Source: ICF analysis

IEA Regional Oil Prices

The IEA New Policies Scenario projects higher oil prices compared with the ICF Base Case. Average 2020-2050 regional oil prices in the IEA New Policies Scenario range from \$56/Bbl in Western Canada to \$66/Bbl in Cushing (Figure 4). The same methodology that was used for calculating the regional basis for the ICF cases has been used for the IEA Scenarios. Average regional oil prices in the IEA Sustainable Development Scenario are about 35 percent lower than the prices in the IEA New Policies Scenario.

As in the ICF cases, the market hub prices at different locations have been estimated using basis differentials derived from historical trends since IEA does not provide prices for different locations throughout North America.

Figure 4: IEA Regional Oil Prices, Average 2020-2050, 2016\$/Bbl

	IEA New Policies	IEA Sustainable Development	\$ Change	% Change
WTI Cushing	\$102	\$66	(\$36)	-35%
Permian	\$100	\$64	(\$35)	-35%
Eagle Ford	\$99	\$63	(\$36)	-37%
Barnett	\$102	\$66	(\$36)	-35%
Powder River Basin	\$101	\$65	(\$36)	-36%
Western Canada Select	\$86	\$56	(\$30)	-35%

Source: ICF analysis of IEA data

⁹ The historical price differential between WTI Cushing and the Bakken Guernsey price hub was used to forecast the regional oil price for the Powder River Basin. Guernsey, located in eastern Wyoming, is the most active oil trading hub in the Rockies.

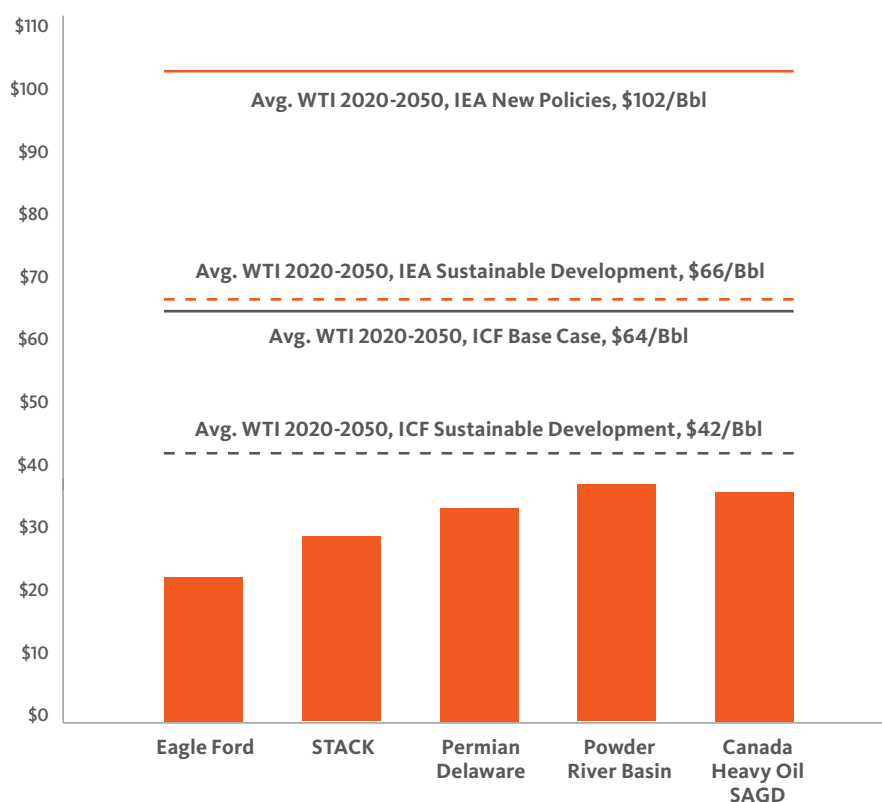
Breakeven Oil Prices

The analysis of breakeven oil prices set forth in Figure 5 shows WTI Cushing equivalent breakeven prices (vertical bars) for the regions in which Devon's oil assets are located. Because Devon's internal calculations of asset-specific prices are confidential, the breakeven oil prices for Eagle Ford, STACK, Permian Delaware, and Powder River Basin oil wells are based on the Citi E&P oil price breakeven analysis¹⁰ and the breakeven oil price for the steam-assisted gravity drainage (SAGD)¹¹ heavy oil projects is based on a recent SAGD heavy oil supply cost study by the Bank of Montreal (BMO).¹² For comparison with oil prices in the four scenarios, the Citi and BMO WTI equivalent breakeven prices have been converted to 2016 dollars. Citi and BMO are reputable, experienced analysts for WTI equivalent breakeven prices; Devon and ICF consider both Citi and BMO to be reasonable sources used in calculating breakeven oil prices for the regions in which Devon's oil assets are located. ICF has analyzed half-cycle breakeven oil prices—the constant price needed to recover capital expenditures (excluding sunk capital), operating costs, royalties and taxes and earn an acceptable return on investment—for the plays in which Devon operates.

Figure 5 suggests that all of Devon's oil assets are expected to yield high economic returns in the \$64/Bbl oil price environment in the ICF Base Case and much higher returns in the \$102/Bbl oil price environment in the IEA New Policies Scenario. The \$66/Bbl oil price environment in the IEA Sustainable Development Scenario is still higher

Figure 5:

WTI CUSHING EQUIVALENT BREAKEVEN PRICE (2016\$/Bbl)



Breakeven price data obtained from regional analysis published by Citi Research and, for Canada Heavy Oil SAGD, BMO Capital Markets.

than all the oil assets' breakevens and, therefore, is expected to yield positive economic returns. Even at much lower WTI oil price projections in the ICF Sustainable Development Case, \$42/Bbl, all of the oil assets are expected to be economic. Consistent with historical experiences, breakeven prices have the potential to decline over time as

drilling and operations techniques and technology improve. There is a limit to how much the breakeven price can decline due to production efficiencies but that limit has likely not been reached in the U.S. and Canada.

¹⁰ Citi Research. "Citi E&P Oil Price Breakeven Analysis – Benchmarking by Sub-Basin or Play." Citi Research Annual Commodities Market Outlook 2018. December 2017.

¹¹ Steam-assisted gravity drainage is an enhanced oil recovery technology for producing heavy crude oil and bitumen.

¹² BMO Capital Markets Research. "Oil & Gas Global Cost Study." August 2018. The Jackfish SAGD project was used as a representative project for all of Canada Heavy Oil SAGD.

ICF Regional Natural Gas Prices

ICF's Gas Market Model (GMM) calculates the hub prices at the different locations relevant to Devon's production. Gathering and processing charges have been subtracted from those prices to derive wellhead prices at each of those locations.

Basis differentials have been separately estimated from the GMM for a lower growth case that is consistent with the IEA Sustainable Development Scenario and then applied to estimate prices at different locations. Again, gathering and processing charges have been subtracted from the estimated hub prices to derive wellhead prices.

Average 2020-2050 regional natural gas prices in the ICF Sustainable Development Case range from \$3.13/MMBtu at the STACK Wellhead to about \$2.85/MMBtu at Henry Hub or on average about 30 percent lower than regional prices in the ICF Base Case (Figure 6).

Figure 6: ICF Natural Gas Prices, Average 2020-2050, 2016\$/MMBtu¹³

	ICF Base Case	ICF Sustainable Development	\$ Change	% Change
Henry Hub	\$3.99	\$2.85	(\$1.14)	-29%
Delaware Wellhead	\$3.42	\$2.35	(\$1.07)	-31%
Eagle Ford Wellhead	\$3.49	\$2.40	(\$1.10)	-31%
Barnett Wellhead	\$3.58	\$2.45	(\$1.13)	-32%
STACK Wellhead	\$3.13	\$2.10	(\$1.04)	-33%

Source: ICF analysis of IEA data

IEA Regional Natural Gas Prices

IEA has projected natural gas prices at Henry Hub for the New Policies Scenario and the Sustainable Development Scenario. ICF has estimated market hub prices at different locations using basis differentials derived from ICF's GMM since IEA does not provide prices for different locations throughout North America. Wellhead prices have been estimated by subtracting gathering and processing charges at the relevant hubs.

The IEA New Policies Scenario projects higher natural gas prices compared with the ICF Base Case. Average 2020-2050 regional natural gas prices in the IEA New Policies Scenario range from \$4.12/MMBtu at the STACK Wellhead to almost \$5.00/MMBtu at Henry Hub (Figure 7). Average regional natural gas prices in the IEA Sustainable Development Scenario are about 25 percent lower than the prices in the IEA New Policies Scenario.

Figure 7: IEA Natural Gas Prices, Average 2020-2050, 2016\$/MMBtu¹⁴

	IEA New Policies	IEA Sustainable Development	\$ Change	% Change
Henry Hub	\$4.97	\$3.75	(\$1.22)	-25%
Delaware Wellhead	\$4.40	\$3.25	(\$1.15)	-26%
Eagle Ford Wellhead	\$4.47	\$3.30	(\$1.17)	-26%
Barnett Wellhead	\$4.56	\$3.35	(\$1.21)	-26%
STACK Wellhead	\$4.12	\$3.00	(\$1.12)	-27%

Source: ICF analysis

^{13, 14} For both the Canada Heavy Oil Wellhead and the Rockies Wellhead, Devon's 2017 gas production was below 5% of Devon's overall natural gas production and therefore are not included in this analysis.



Breakeven Natural Gas Prices

ICF also conducted breakeven analysis for the Barnett Shale.¹⁵ Analysis of project economics for Barnett Shale is based on breakeven natural gas price analysis by Citi Research.¹⁶ The Henry Hub equivalent breakeven natural gas price for Barnett Shale, about \$3.00/MMBtu, is lower than average natural gas price projections in all the baseline scenarios and in the IEA Sustainable Development Scenario. These three scenarios are expected to yield positive economic returns for the Barnett Shale wells. However, the much lower natural gas price environment in the ICF Sustainable Development Case, \$2.85/MMBtu, falls just below the breakeven price. Consistent with the breakeven prices for oil, breakeven prices for natural gas also have the potential to decline over time as drilling techniques and technology improve.

In addition to the potential risks from changes in market prices due to future constraints on carbon emissions, there are a variety of other potential climate-related risks that Devon considers. This section provides a brief discussion of some of these additional risks, though they are not the primary focus of this report.

¹⁵ Devon has historically maintained a strong position in the Barnett Shale and, in 2017, the Barnett Shale accounted for 55% of Devon's overall natural gas production. The natural gas production from Devon's other regions is currently a byproduct from Devon's oil production and is not included in this breakeven analysis.

¹⁶ Citi Research. "2Q 2018 Commodities Market Outlook." April 15, 2018.



Other Potential Climate-Related Risks

Physical Climate Risks

Oil and natural gas extraction operations have been successful in some of the most extreme environments across the planet. In the areas where Devon operates and plans to operate, we are confident in our ability to continue to operate in accordance with our plans. Devon, however, analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development. This analysis considers the likelihood of those events occurring and how Devon could mitigate the potential impact of those events. Devon has invested significant capital in developing technologies for using alternative sources of water, which will help to improve our ability to respond to lack of fresh water availability. Devon also plans in the medium term for potential infrastructure shut downs due to a variety of factors, and appropriate responses to each of them. This evaluation considers floods, tornados, hurricane risk, and other potential physical risks to infrastructure and Devon's assets.

State and Federal Methane Regulations

Methane emissions from the oil and natural gas industries have been identified by policymakers and stakeholders as a significant source of GHG emissions. The U.S. began imposing regulations in 2012 to mitigate these emissions. Individual states had regulated emissions prior to this time and others have continued since then. The Canadian federal government and provincial governments have also announced or implemented methane regulations. Federal regulations announced in April 2018 are based on Canada's target of 40-45% reduction of methane emissions from oil and natural gas by 2025.¹⁷

Fugitive and vented emissions from all segments of the natural gas industry comprise well less than 2% of natural gas production¹⁸ and many producers, including Devon, have made significant reductions in emissions through voluntary actions and in response to regulation. Significant additional reductions could require more aggressive measures, modifications to basic infrastructure, and changes to standard operating procedures. Some of the costs would be offset by the value of natural gas that is recovered through reduced losses of production, however, lower natural gas prices would decrease the value of the recovered natural gas and not all reductions would result in salable recovery. Achieving near-zero emissions would be very challenging.

¹⁷ Environment and Climate Change Canada. "Technical Backgrounder: Federal methane regulations for the upstream oil and gas sector." April 2018. Available at: <https://www.canada.ca/en/environment-climate-change/news/2018/04/federal-methane-regulations-for-the-upstream-oil-and-gas-sector.html>.

¹⁸ ICF Analysis of U.S. EPA Inventory of U.S. Greenhouse Gas Emissions.



Supply-Side Restrictions

In addition to policies that aim to limit demand, proponents of tighter greenhouse gas emission standards are also proposing and supporting various initiatives that restrict fossil fuels development on the supply side. Examples of such supply-side policies include drilling bans (e.g., New York or Maryland), higher standards for drilling activity (e.g., increased drilling setback requirements in Colorado), organized efforts to oppose pipeline expansion projects (including appeals through the legal process), and imposition of additional regulatory hurdles (e.g., New York State water permitting requirements). Resistance to pipeline projects, in particular, creates greater uncertainty that projects reach completion and, therefore, increases the financial risk. All types of initiatives aimed at regulating access to oil and natural gas supply increase the cost of production and resource development.

Reduced Access to Capital Resulting from Activist-Driven Divestment

In recent years, activists concerned about climate change have campaigned for investors to divest from companies involved in the production and sale of fossil fuels. A number of institutional investors have announced plans to divest or active consideration of such plans.¹⁹ Some stakeholders may be concerned that an increase in the scale of divestments could reduce the ability of Devon and other oil and natural gas companies to access capital.

The direct potential of divestment efforts to limit Devon's access to debt or equity capital may be minimal. A 2013 report from Oxford University concluded that the capacity of divestment to cause direct financial damage to oil and natural gas companies is severely limited by several factors. Chief among these is the large universe of neutral lenders and investors—especially in the North American market in which Devon operates—that will value oil and natural gas investments based on their intrinsic value as defined by expected future cash flows, correcting for any decrease in demand for debt or equity motivated by non-value concerns.²⁰ Similarly, as Bloomberg New Energy Finance has noted, the scale of global oil and natural gas investments and the high probability of significant future demand makes divestment from oil and natural gas more challenging than divestment from coal.²¹ While the political salience of the divestment movement is linked to reputational and policy risks, the former do not normally limit access to capital and the latter are addressed elsewhere in this report.

¹⁹ Attracta Mooney. "Growing Number of Pension Funds Divest from Fossil Fuels." The Financial Times. April 27, 2017. Available at: <https://www.ft.com/content/fe88b788-29ad-11e7-9ec8-168383da43b7>.

²⁰ Atif Ansar, Ben Caldecott, and James Tilbury. "Stranded Assets and the Fossil Fuel Divestment Campaign." Stranded Assets Programme at Oxford University. October 2013. p. 30, 33. Available at: <https://www.smithschool.ox.ac.uk/publications/reports/SAP-divestment-report-final.pdf>.

²¹ Nathaniel Bullard. "Fossil Fuel Divestment: A \$5 Trillion Challenge." Bloomberg New Energy Finance. 2014. p. 16. https://data.bloomberglp.com/bnef/sites/4/2014/08/BNEF_DOC_2014-08-25-Fossil-Fuel-Divestment.pdf.

Conclusion

While this report is not part of the Devon's overall securities and governance disclosures, it represents an important step forward in assessing potential transition risks due to climate change, particularly in relation to the demand and price impacts of possible low-carbon future scenarios. This report is only one piece of Devon's overall communications' strategy on environmental topics. Please refer to Devon's Sustainability Report and Form 10-K disclosures for additional information.

Devon and its stakeholders are committed to understanding the potential impacts of climate change risks on Devon's long-term business plans. In particular, certain stakeholders are concerned that energy companies may not be able to remain economically competitive in a potential carbon-constrained future. Informed in part by the conclusions reflected in this report, Devon remains confident that its asset portfolio is expected to produce oil and natural gas efficiently and profitably in a carbon-constrained scenario.

Devon recognizes, however, that there are potential negative implications of a lower-carbon economy. In order to minimize risk and maximize profits, Devon has historically analyzed pricing scenarios that are even more conservative than the Base Case Scenarios and the more aggressive carbon-constrained scenarios. As a dynamic energy company, Devon responds to changes in the industry by strategically re-positioning its portfolio and incorporating new technological innovations and industry practices to remain economically profitable and environmentally responsible.

Climate-related risk management is a continuously evolving process and Devon will remain a proponent of conservation and the advancement of emission-reduction technologies. Devon is committed to maintaining discussions with its management, Board of Directors, and stakeholders to continue to address and analyze the potential impacts of a lower-carbon economy.



Methodological Appendix

This section details the methodology that ICF used to generate its price forecasts and to adapt and further analyze price forecasts from IEA.

ICF Oil Prices

ICF's oil prices have been estimated using a combination of near-term futures prices and a long-term assessment of oil market fundamentals. For 2018 and 2019, WTI futures have been used to forecast oil prices. For 2020 and 2021, a blend of futures prices and ICF's fundamentals forecast is used. For the long-term, ICF assumes an equilibrium marginal production cost of \$70/Bbl. That \$70/Bbl Refiner Acquisition Cost of Crude Oil (RACC) has been converted to a WTI Cushing price for this analysis. In this report, estimated prices rely on ICF's Q2-2018 Base Case Projection.

Oil prices for the ICF Sustainable Development Case have been estimated by applying a derived price elasticity²² for oil to the demand change between the IEA New Policies Scenario and the IEA Sustainable Development Scenarios. For example, in 2025, IEA forecasted an 8% reduction in demand and a 13% reduction in price for the IEA Sustainable Development Scenario compared to the IEA New Policies Scenario. In this example, ICF used the resulting 0.59 price elasticity of demand for 2025 to determine the expected price change that would result if the same demand change that occurred between the IEA Scenarios occurred between the ICF Base Case and the ICF Sustainable Development Case in the year 2025.

The IEA price elasticity is about 0.50 in the near term and 0.75 in the long term. The average elasticity over the entire 2020-2050 projection period is about 0.65.

IEA Oil Prices

For both its New Policies Scenario and the Sustainable Development Scenario, IEA provided an average worldwide oil importer price through 2040. ICF extrapolated the price to 2050 and converted the worldwide oil importer price to a WTI price forecast by carrying forward the 2016 difference between the IEA importer average price and the 2016 average WTI price. This difference was about \$2/Bbl.

ICF Natural Gas Prices

ICF's natural gas prices have been estimated using ICF's GMM, a model widely used to project natural gas supply, demand, and prices for the North American natural gas market. Estimated prices rely on ICF's Q2-2018 Base Case Projection. The GMM solves for hub prices at the different locations relevant to Devon's production. Gathering and processing charges have been subtracted from those prices to derive wellhead prices at each of those locations. Prices have been extrapolated beyond 2040 because the ICF Base Case is only run through 2040.

²² Oil price elasticity of demand measures the responsiveness of oil demand with the change in oil price. The elasticity is calculated by dividing the percentage change in oil demand by the percentage change in oil price. Natural gas price elasticity of demand is calculated with the same methodology as oil price elasticity of demand using IEA's natural gas price and demand forecast.



The ICF Q2-2018 Base Case projects associated natural gas²³ supply growth from tight oil plays (such as the Permian in west Texas and New Mexico) due to a rise in oil prices and also growth from Marcellus, Utica and Haynesville gassy shale plays. This natural gas supply growth places a downward pressure on natural gas prices in the short term and results in lower Henry Hub prices, below \$3.50/MMBtu, through 2025. The combination of Gulf Coast LNG exports and domestic demand growth places upward pressure on natural gas prices in the long term and raises the Henry Hub price to \$5.60/MMBtu by 2050.

Natural gas prices for the ICF Sustainable Development Case were estimated by applying an ICF-derived price elasticity for natural gas to the demand change between the IEA New Policies Scenario and the IEA Sustainable Development Scenario. ICF's long-term natural gas price elasticity is about 0.6 (Figure 7).

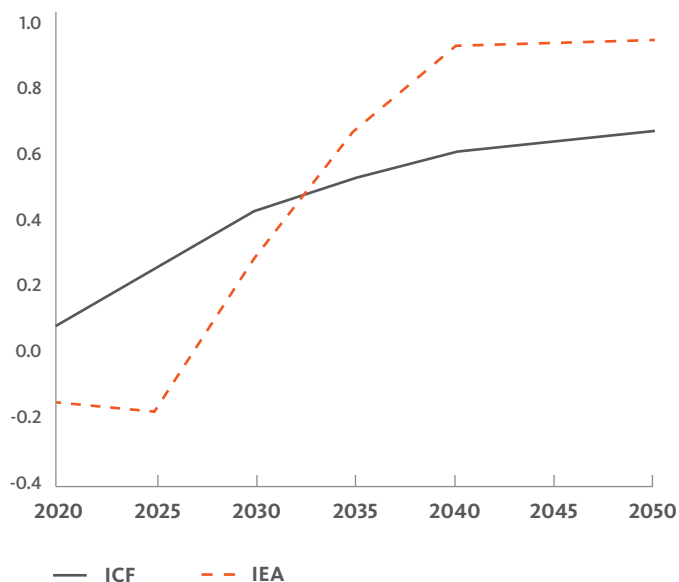
IEA Natural Gas Prices

IEA has projected natural gas prices at Henry Hub for the IEA New Policies Scenario and the IEA Sustainable Development Scenario through 2040. ICF has extrapolated these projections forward through 2050. IEA's price elasticity is negative in the near term, but rises to a much higher value of 0.9 in the longer term (Figure 8). The average elasticity over the entire projection period is about the same for the two projections.

Figure 8:

NATURAL GAS ELASTICITY OF DEMAND

(% Change of Demand / % Change of Henry Hub Price)



Source: ICF analysis of ICF and IEA data

ICF and IEA Implied Propane Prices

Propane prices are estimated using the historical relationship between the WTI Cushing oil price and the Mont Belvieu propane price. ICF halved the oil price and then converted the per barrel price into a per gallon price in order to forecast propane prices.

²³ Associated gas or associated dissolved gas refers to natural gas that is produced along with crude oil from oil wells.



Forward-Looking Statements

This report includes "forward-looking statements." Such statements include those concerning strategic plans, expectations and objectives for future operations, and are often identified by use of the words and phrases "expects," "believes," "continue," "will," "would," "could," "may," "aims," "forecasts," "likely to be," "intends," "projections," "estimates," "plans," "expectations," "targets," "considers," "opportunities," "potential," "anticipates," "suggests," "outlook" and other similar terminology. All statements, other than statements of historical facts, included in this report that address activities, events or developments that Devon expects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Devon. Statements regarding Devon's business and operations are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas. These risks include, but are not limited to: the volatility of oil, gas and NGL prices; uncertainties inherent in estimating oil, gas and NGL reserves; the extent to which we are successful in acquiring and discovering additional reserves; the uncertainties, costs and risks involved in oil and gas operations; regulatory restrictions, compliance costs and other risks relating to governmental regulation, including with respect to environmental matters; risks related to Devon's hedging activities; counterparty credit risks; risks relating to Devon's indebtedness; cyberattack risks; Devon's limited control over third parties who operate its oil and gas properties; midstream capacity constraints and potential interruptions in production; the extent to which insurance covers any losses we may experience; competition for leases, materials, people and capital; Devon's ability to successfully complete mergers, acquisitions and divestitures; and any of the other risks and uncertainties identified in Devon's Form 10-K and its other filings with the SEC. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The forward-looking statements in this report are made as of the date of this report, even if subsequently made available by Devon on its website or otherwise. Devon does not undertake any obligation and expressly disclaims any duty to update the forward-looking statements as a result of new information, future events or otherwise. In addition, while this report describes future events that may be significant, the significance of those potential events should not be read as equating to materiality as the concept is used in the company's filings with the SEC.



List of Acronyms

Bbl – Barrels of oil

BMO – Bank of Montreal

CO₂ – Carbon dioxide

ERM – Enterprise Risk Management

GHG – Greenhouse gas

GMM – Gas Market Model (ICF)

IEA – International Energy Agency

LNG – Liquefied natural gas

MMBtu – Million British thermal units

NGL – Natural gas liquids

SAGD – Steam-assisted gravity drainage

TCFD – Task Force on Climate-related Financial Disclosures

WEO – World Energy Outlook (IEA annual report)

WTI – West Texas Intermediate (benchmark oil price)



EXHIBIT I

(see attached)

C0. Introduction

C0.1

(C0.1) Give a general description 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 and also during 2018 had a major employment center in Calgary. Devon's operations in 2018 were focused onshore in the United States and Canada. The company's portfolio of oil and natural gas properties provides stable, environmentally responsible production and a platform for future growth. For 2018, the company's production mix for retained assets was 34 percent natural gas and 66 percent oil and liquids such as propane, butane and ethane. Devon's mission is to be a results-oriented oil and natural gas company that creates value for stakeholders in an employee culture of optimism, teamwork, creativity and resourcefulness, and by doing business in an open and ethical manner. For more information about Devon, please visit www.devonenergy.com.

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

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2018	December 31 2018	No	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Canada
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Upstream

Other divisions

Carbon capture and storage/utilization

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Devon Energy's Board of Directors has primary responsibility for the Company's risk-management and oversight, including climate risk assessment and strategy. As a direct result of stakeholder engagement, and to better understand the potential long-term impacts of a possible carbon-constrained future, Devon's Board of Directors approved the engagement of an outside consulting firm to help assess the company's oil and natural gas portfolio in relation to these potential impacts. Details of the analytical approach and results of the assessment are available in Devon's Climate Change Assessment Report, which was reviewed and approved by the Board of Directors and published on the company website. In order to provide support for the Company's ongoing efforts in environmental, social, and governance (ESG) matters, the board established an ESG Steering Committee, which provides regular updates to, and receives guidance from, the Board of Directors.

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding business plans</p>	<p>A key area of the Board’s focus has been on environmental matters, including potential impact associated with climate change policies. One example of the Board’s oversight of climate-related issues is that the Board approved the engagement of an outside consulting firm to improve its understanding of the potential long-term impacts of a possible carbon-constrained future and to help assess Devon’s oil and natural gas portfolio in relation to these potential impacts. The Board actively reviewed and commented on the report, and then approved the analytical approach and results of what is now Devon’s Climate Change Assessment Report. Details of this Climate Change Assessment Report are available on the Company’s website. Devon has also increased participation in external surveys and questionnaires, which has resulted in more transparency and improved the accuracy of information included in those materials. Devon has improved its performance on assessments with services like Sustainalytics and Disclosing the Facts, and in Institutional Shareholder Services’ inaugural Environmental and Social scoring system. Devon regularly models numerous regional and macro-level scenarios, such as changes in regulations or market conditions, to test the strength of its portfolio of reserves and resources. On an annual basis, these modeled scenarios inform the strategic decision-making of Devon’s Executive Committee and Board of Directors, culminating in Devon’s annual long-range plan. Devon’s risk management has included, beginning in 2018, formal and ongoing consideration of the quantifiable effects of climate change on Devon’s portfolio.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (EVP & General Counsel)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The EVP/General Counsel is executive sponsor and an active member of the Environment, Social and Governance (ESG) Steering Committee, comprised of leaders from all parts of the business and focused on climate issues. The EVP/General Counsel championed the production and publication, with assistance from the ESG committee, of Devon’s 2018 Climate Change Assessment Report. In addition, the ESG 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. The EVP/General Counsel reports directly to Devon’s CEO and is liaison to the Board of Directors, whose Governance Committee oversees compliance with legal and regulatory requirements, reviews financial risk exposure and the steps taken to monitor and control such exposure. The Governance Committee is prepared to respond quickly to new requirements and emerging best practices.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Monetary reward

Activity incentivized

Other, please specify (Emissions Reduction Target)

Comment

Devon is establishing a voluntary, company-specific target to reduce methane emissions for its U.S. oil and natural gas production operations. By 2025, Devon will achieve a methane-intensity rate of 0.28 percent or lower. In 2018, Devon's methane-intensity rate was estimated at 0.32 percent, which is pending EPA review and third-party verification. Devon's new methane-intensity measure will be a component of executive and employee compensation beginning in 2019, along with short-term emissions performance already in place.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Monetary reward

Activity incentivized

Emissions reduction target

Comment

Devon's 2019 corporate goals include a goal to continuously improve in environmental, health, and safety performance. Incorporated within this goal is a focus to improve emission control device reliability and runtime. Devon's corporate goals are a component of executive and employee compensation. This goal further demonstrates Devon's commitment to emissions reduction and helps position this effort as a high priority within the organization.

Who is entitled to benefit from these incentives?

Facilities manager

Types of incentives

Recognition (non-monetary)

Activity incentivized

Efficiency project

Comment

Facility managers are recognized companywide and within their operating units for work they do to improve energy efficiency and/or to reduce greenhouse gas emissions through the application of technology. Individual and team efforts are highlighted and recognized broadly throughout our internal and external websites. These communications are important because they inform our external stakeholders about our efforts to address emissions and provide positive reinforcement to our employees for their emission reduction efforts. This is even more important for facility managers, as positive reinforcement of their emissions reduction efforts will help them lead their team in the efforts. It also demonstrates Devon's commitment to emissions reduction and helps position this work as a high priority within the organization.

Who is entitled to benefit from these incentives?

All employees

Types of incentives

Recognition (non-monetary)

Activity incentivized

Efficiency project

Comment

Employees are recognized companywide and within their operating units for work they do to improve energy efficiency and/or to

reduce greenhouse gas emissions through the application of technology. Individual and team efforts are highlighted and recognized broadly throughout our internal and external websites. These communications are important because they inform our external stakeholders about our efforts to address emissions and provide positive reinforcement to our employees for their emission reduction efforts. It also demonstrates Devon's commitment to emissions reduction and helps position this work as a high priority within the organization.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	Typically, Devon categorizes risks to our business in shorter time frames than 12 months. Our business changes very often and to be flexible and responsive to those changes Devon must be prepared to consider risks on shorter time frames.
Medium-term	1	2	
Long-term	2	5	Due to oil-and-gas-specific SEC requirements, operators have no incentive to beyond a 5-year time frame for asset development, so while Devon recognizes and analyzes risks over a greater period of time, typically Devon categorizes risks out to a 5-year window.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	>6 years	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. Devon's Climate Change Assessment Report evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modeled through 2050.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

Environmental Health and Safety (EHS)-related risks are considered on a day-to-day basis through existing, documented Enterprise Risk Management (ERM) programs and practices, which are discussed in detail in an annual internal workshop focused on EHS risks, stewardship and compliance. 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.

As an example of asset-level risk identification, in the Devon Canada division, a Policy Risk Register was developed to identify and risk Canadian regulatory and policy changes. Subject matter experts are responsible for identifying forthcoming policy and regulatory risks. Regularly scheduled meetings are held to ensure that the risk register remains complete and up to date.

Devon regularly models numerous regional and macro-level scenarios, such as changes in regulations or market conditions, to test the strength of its portfolio of reserves and resources. On an annual basis, these modeled scenarios inform the strategic decision-making of Devon's Executive Committee and Board of Directors, culminating in Devon's annual long-range plan. Devon's risk management has included, beginning in 2018, formal and ongoing consideration of the quantifiable effects of climate change on Devon's portfolio.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Devon's operations comply with regulatory requirements. We continuously monitor new and emerging regulations, and, we adjust our operations accordingly. One current regulation that is considered is Carbon Competitiveness Incentive Regulation (CCIR). Devon also relies on various third parties to supplement Devon's analyses and works with evolving regulatory developments. Devon regularly models numerous regional and macro-level scenarios, such as changes in regulations or market conditions, as well as acquisitions or divestitures, to test the strength of its portfolio of reserves and resources. On an annual basis, these modeled scenarios inform the strategic decision-making of Devon's Executive Committee and Board of Directors, culminating in Devon's annual long-range plan. One current regulation that is considered is the Carbon Competitiveness Incentive Regulation (CCIR). See also Devon's 10-K for a discussion of potential risks.
Emerging regulation	Relevant, always included	Devon works to ensure our environmental footprint is as small possible to limit costs and mitigate any potential reactive regulatory changes. Devon also relies on various third parties to supplement Devon's analyses and works with evolving regulatory developments. Devon regularly models numerous regional and macro-level scenarios, such as changes in regulations or market conditions, as well as acquisitions or divestitures, to test the strength of its portfolio of reserves and resources. On an annual basis, these modeled scenarios inform the strategic decision-making of Devon's Executive Committee and Board of Directors, culminating in Devon's annual long-range plan. Devon's Climate Change Assessment Report specifically considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. The Climate Change Assessment Report discusses potential transition risks as set forth in the Task Force on Climate-related Financial Disclosures (TCFD). These include potential risks include potential risks from emerging regulation (e.g. potential GHG-reduction policies). See also Devon's 10-K for a discussion of potential risks.
Technology	Relevant, always included	The nature of the upstream oil and gas business is that new technology drastically changes our operations very often – Devon monitors upcoming changes in technology and adjusts our planning and execution accordingly. Devon's risk evaluation uses a scenario analysis of technology and market conditions that considers pricing scenarios that are at least as challenging as IEA's Sustainable Development Scenario and runs through at least 2040 (this report analyzes through 2050). Devon's Climate Change Assessment Report specifically considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. The Climate Change Assessment Report discusses potential transition risks as set forth in the Task Force on Climate-related Financial Disclosures (TCFD). These include potential risks include potential risks from technology (e.g. supplanting of current dominant technologies by new technologies developed for the purpose of transitioning to a lower-carbon economy). The Climate Change Assessment Report also discusses how breakeven prices may change as drilling and operations techniques and technology improve. See also Devon's 10-K for a discussion of potential risks.
Legal	Relevant, always included	Devon consistently manages and monitors legal risks; however, these are not always climate-related. Devon's Climate Change Assessment Report specifically considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. The Climate Change Assessment Report discusses potential transition risks as set forth in the Task Force on Climate-related Financial Disclosures (TCFD). These include potential risks include potential legal risks (e.g. increased litigation around failure to mitigate climate change impacts or to sufficiently disclose material financial risks). See also Devon's 10-K for a discussion of potential risks.

	Relevance & inclusion	Please explain
Market	Relevant, always included	Market changes in a commodified environment such as oil and gas extraction can have a great impact on demand. Devon monitors changes in the demand for our product, whether those changes are climate-related or not. Devon's risk evaluation uses a scenario analysis of technology and market conditions that considers pricing scenarios that are at least as challenging as IEA's Sustainable Development Scenario and runs through at least 2040 (this report analyzes through 2050). Devon regularly models numerous regional and macro-level scenarios, such as changes in regulations or market conditions, as well as acquisitions or divestitures, to test the strength of its portfolio of reserves and resources. On an annual basis, these modeled scenarios inform the strategic decision-making of Devon's Executive Committee and Board of Directors, culminating in Devon's annual long-range plan. Devon's Climate Change Assessment Report considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. The Climate Change Assessment Report specifically discusses and analyses risks from market impacts, such as a lower demand for oil. Oil prices for the ICF Sustainable Development Case were estimated by applying a derived price elasticity for oil to the demand change between the IEA New Policies Scenario and the IEA Sustainable Development Scenarios. For example, in 2025, IEA forecasted an 8% reduction in demand and a 13% reduction in price for the IEA Sustainable Development Scenario compared to the IEA New Policies Scenario. In the Climate Change Assessment Report, ICF used the resulting 0.59 price elasticity of demand for 2025 to determine the expected price change that would result if the same demand change that occurred between the IEA Scenarios occurred between the ICF Base Case and the ICF Sustainable Development Case in the year 2025.
Reputation	Relevant, sometimes included	Reputational risk is assessed as a cost of doing business. As any negative perception could delay construction, and/or regulatory and government approval. Devon's Climate Change Assessment Report specifically considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. The Climate Change Assessment Report discusses potential transition risks as set forth in the Task Force on Climate-related Financial Disclosures (TCFD). These include potential risks include potential risks from reputation (e.g. changing public perceptions as a result of their perceived role in mitigating or exacerbating climate change). See also Devon's 10-K for a discussion of potential risks.
Acute physical	Not relevant, explanation provided	Currently, and in the short, medium, and long-term time frames, Devon does not foresee risks associated with acute physical changes due to climate change impacting our business any more or less than the status quo. Oil and 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 those time frames. Devon analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development. This analysis considers the likelihood of those events occurring and how Devon could mitigate the potential impact of those events. Devon has invested significant capital in developing technologies for using alternative sources of water, which will help to improve our ability to respond to lack of fresh water availability. Devon also plans in the medium term for potential infrastructure shut downs due to a variety of factors, and appropriate responses to each of them. This evaluation considers floods, tornados, hurricane risk, and other potential physical risks to infrastructure and Devon's assets.
Chronic physical	Not relevant, explanation provided	Currently, and in the short, medium, and long-term time frames, Devon does not foresee risks associated with chronic physical changes due to climate change impacting our business any more or less than the status quo. Oil and 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 those time frames. Devon analyzes potential impacts due to natural disasters and short and medium-term weather changes when evaluating and planning future development. This analysis considers the likelihood of those events occurring and how Devon could mitigate the potential impact of those events. Devon has invested significant capital in developing technologies for using alternative sources of water, which will help to improve our ability to respond to lack of fresh water availability. Devon also plans in the medium term for potential infrastructure shut downs due to a variety of factors, and appropriate responses to each of them. This evaluation considers floods, tornados, hurricane risk and other potential physical risks to infrastructure and Devon's assets.
Upstream	Relevant, always included	Emerging climate-related regulation has impacted Devon's access to materials necessary to complete our operations. Devon continues to monitor how climate-related regulations and other policy changes impact our ability to procure required equipment and raw materials. Devon's Climate Change Assessment Report considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. The Climate Change Assessment Report specifically discusses potential risks due to pricing changes. Model results indicate that aggressive low-carbon scenarios may reduce oil, natural gas, and NGLs prices by 23-37% and the Climate Change Assessment Report analyses the impacts on Devon's portfolio based on the comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, including Eagle Ford, STACK, Permian, Powder River Basin and Canada Heavy Oil SAGD.
Downstream	Relevant, always included	Emerging climate-related regulation may impact demand for Devon's product downstream of our production. In some situations, this impact could be positive, as demand for natural gas may be influenced by regulatory changes. Devon monitors how future changes in climate-related regulations may impact demand for our products, and our ability to market it. Devon's Climate Change Assessment Report considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. The Climate Change Assessment Report specifically discusses potential risks due to a lower demand for oil. Oil prices for the ICF Sustainable Development Case were estimated by applying a derived price elasticity for oil to the demand change between the IEA New Policies Scenario and the IEA Sustainable Development Scenarios. For example, in 2025, IEA forecasted an 8% reduction in demand and a 13% reduction in price for the IEA Sustainable Development Scenario compared to the IEA New Policies Scenario. In the Climate Change Assessment Report, ICF used the resulting 0.59 price elasticity of demand for 2025 to determine the expected price change that would result if the same demand change that occurred between the IEA Scenarios occurred between the ICF Base Case and the ICF Sustainable Development Case in the year 2025.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Currently, management of climate change-related risks follows the same risk-assessment process as other business risks, based on the likelihood of their occurrence and their economic and non-economic impacts. Business risks are evaluated using Devon's corporate risk matrix, which identifies and evaluates environmental risks as a risk category. Devon's risk management has included, beginning in 2018, formal and ongoing consideration of the quantifiable effects of climate change on Devon's portfolio. With each new opportunity or proposal, the corporate EHS group along with corporate planning and our Public and Government Affairs group, evaluates the potential business impact through policy analysis and financial impact modelling. This process helps to initiate development of strategies to mitigate business risk. Our objective is to maintain an understanding of the potential impacts of emerging regulation and to recommend ways to proactively mitigate risk. This focus also includes consideration of opportunities to reduce emissions and improve energy efficiency.

For example, in our U.S. operations, we recognized the potential risk of climate-driven regulation of the capture and monitoring of methane emissions from production sites. Even before EPA required new production facilities to be monitored using infra-red cameras, Devon recognized that such regulation was likely, and moved quickly to acquire cameras and train personnel. We began monitoring some of our sites before the regulation was proposed and currently implement LDAR monitoring on selected sites that are not subject to EPA regulation. The data collected through this LDAR program will allow Devon to establish best management practices and identify technology, equipment and materials for improved performance.

In our oil sands operations, climate-related regulatory risks are accounted for on an individual project basis. A carbon price equal to the regulated cost of carbon for large emitters in Alberta (\$30 per tonne of carbon dioxide equivalent in 2018) is accounted for in project economics. This accounts for the cost or benefit associated with any change in GHG emissions resulting from the project.

In 2018, Devon released its first Climate Change Assessment Report. Devon evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modelled through 2050. Devon evaluated pricing scenarios and model results from both its outside consultant, ICF, and the widely-referenced International Energy Agency (IEA).

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Increased pricing of GHG emissions

Type of financial impact

<Not Applicable>

Company- specific description

In 2018, the Devon Jackfish SAGD facility (located in Alberta, Canada) was subject to the Carbon Competitiveness Incentive Regulation (CCIR). This is a carbon pricing regulation, under which regulation facilities are required to meet product-based emission intensity performance standards. The Canadian Federal Government has also implemented a price on carbon, which will increase to \$30 in 2020, \$40 in 2021 and \$50 in 2022. The overall costs to operate the facility has increased as a result of carbon pricing regulations and increasing in carbon price.

Time horizon

Current

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

0.2

Potential financial impact figure – maximum (currency)

0.4

Explanation of financial impact figure

The potential financial impact figure is given in \$/bbl. The potential financial impact figure is given in \$/bbl. Compliance with Alberta's Carbon Competitiveness Incentive Regulation cost Devon between \$0.20 - \$0.40/bbl in 2018 in payments into the clean technology fund and in carbon offset purchases.

Management method

Devon manages this risk through continuous improvement of operational efficiencies, reductions in steam to oil ratio (SOR), and evaluation of new technologies that could reduce GHG emissions. For example, at our Jackfish SAGD facility we continuously manage and improve SOR. SOR is the amount of steam that is required to produce a barrel of oil. In SAGD operations, steam generation accounts for ~99% of GHG emissions, so improvements to SOR have direct implications on GHG emissions. Devon also has invested \$35 million to lead studies to advance science and the development of technologies to improve environmental performance and had a team dedicated to this work.

Cost of management

35000000

Comment

\$35,000,000 is the amount that Devon has invested in COSIA to lead studies to advance science and the development of technologies to improve environmental performance in the oil sands.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Policy and legal: Enhanced emissions-reporting obligations

Type of financial impact

<Not Applicable>

Company- specific description

In the U.S., most of Devon's operations are subject to requirements in EPA's GHG reporting program, requiring us to collect, track, calculate and report emissions. As new fields and facilities are brought online in the Oklahoma STACK (Showboat project), Powder River Basin of Wyoming (Super Mario project) and Delaware Basin in southeastern New Mexico (Seawolf project), they are also subject to the reporting requirements. The risk of noncompliance could be financial and reputational. Additionally, the GHG reporting rule is updated periodically, and changes that impact our facilities require more and/or different data to be collected and reported on, which can result in increased cost of compliance.

Time horizon

Current

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Unknown

Management method

State and Federal reporting obligations require large volumes of data from across Devon's many information systems. Devon must identify the requirements, train personnel responsible for collection and reporting, ensure the quality of the data and deliver it into reportable formats. Devon has implemented a program to manage these tasks, enabling the company to publish reports that meet regulatory requirements. Cost includes the time and effort required to compile data and produce an emission inventory that meets the regulatory requirements.

Cost of management

250000

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Transition risk

Primary climate-related risk driver

Market: Increased cost of raw materials

Type of financial impact

<Not Applicable>

Company- specific description

Devon's oil and gas production activities in the Oklahoma STACK (Showboat Project), Powder River Basin of Wyoming (Super Mario Project) and Delaware Basin in southeastern New Mexico (Seawolf Project) depend upon reliable access to materials including sand, water and various supplies. As environmental regulation and policy changes are implemented, Devon's access to necessary materials and supplies could become constrained or potentially more expensive.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

This impact could vary based on the availability and feasibility of using alternative sources of water. This will typically impact Devon's planning as much if not more than our actual operations.

Management method

Devon has invested in technology and equipment to decrease our dependence on fresh water, including using more and more produced water and other waste water where fresh water would previously have been used. Currently, reused and brackish water accounts for over 80% of the company's needs in arid southeastern New Mexico's Delaware Basin, where we have constructed eight impoundment basins – each 15-feet deep and covering four acres. They're integral to our operations and to saving water, connected by a local pipeline network without which we'd be hauling water that would fill about 500 trucks per day. We use fresh water in the Delaware only for blending, and only when reused water isn't available in sufficient quantities.

Cost of management

0

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**Identifier**

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Type of financial impact

Other, please specify (Reduced operational costs)

Company-specific description

The Alberta government has committed to utilize revenue from the carbon levy to pay for initiatives that reduce emissions, including industrial energy efficiency programs. Organizations such as Emissions Reduction Alberta, Alberta Innovates and Energy Efficiency Alberta are provincially funded organizations that have provided increased opportunity for companies, such as Devon, to receive funding for emission reductions projects. Devon has multiple emission reduction pilots underway and has made

applications for government funding. An example of an emission reduction pilot that successfully applied for funding in 2018 was a project at Jackfish to inject hydrocarbon gas in a cyclic process called Cold Solvent Injection. This technology would inject hydrocarbon gas at the wellhead into existing wells to mix with the heavy oil downhole and re-pressurize the reservoir. All produced gas would be captured in nearby gas gathering systems, resulting in a reduction in methane venting.

Time horizon

Current

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Devon could receive funding for emission reduction or energy efficiency initiatives. The amount of potential funding that could be received has a wide range, depending on the type of project that receives funding.

Strategy to realize opportunity

Devon has a team that evaluates potential new technology projects and submits funding applications.

Cost to realize opportunity

50000

Comment

Devon has a team that evaluates potential new technology projects and submits funding applications. The cost to realize any particular opportunity is employee time to apply for funding.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company-specific description

In addition to achieving the environmental and reputational benefits of lower emissions, Devon pursues opportunities in the U.S. and Canada for fuel savings (and cost savings with potentially significant financial implications) to be found in new tools, technologies and business processes, which could have a positive impact on the company's financial condition. For example, at our Canadian heavy oil operations, when economical, solution gas conservation projects result in fuel gas savings, and cost savings. For example, in our Bonnyville cold-flow heavy oil production with sand (CHOPS) operations, excess produced gas is tied into gas gathering systems to be sold, when economically feasible.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The overall financial implications are unknown, but these measures could amount to financial benefit of \$2 - \$3 per GJ of fuel purchased. Devon is actively pursuing opportunities to reduce GHG emissions and piloting new technologies that could achieve large volumes of emission reductions in the future, which would ultimately reduce cost.

Strategy to realize opportunity

As a method to manage this opportunity, Devon Canada is particularly interested in reducing steam requirements from in situ oil sands production, carbon capture and conversion technologies, vent gas reduction, energy efficiency and waste heat recovery for heat and power. Through the Canadian Oil Sand's Innovation Alliance, Devon is involved in the evaluation of various GHG reduction technologies, including short-term, incremental opportunities such as energy efficiency measures and optimization initiatives as well as long-term, game-changing technologies such as carbon capture and conversion. Additional cost to realize opportunity is \$0, because improving operational efficiency is part of business as usual operations. Most emissions reduction initiatives require initial financial investments, and in return, the company creates greater efficiency, which improves economics.

Cost to realize opportunity

0

Comment

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Not yet impacted	Devon does not provide services; its products are crude oil, natural gas and related liquids. Climate risks and opportunities have not yet impacted the markets for these commodities. Despite widespread discussion and speculation about reduced demand for oil and gas, the U.S. Energy Information Administration projects rising demand for natural gas, petroleum and other liquids through 2040.
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Climate-related regulations have had an impact Devon's access to fresh water for well-completion operations, a vital component in oil and natural gas production. The magnitude of the impact so far has been relatively small, but given the importance of access to water in the overall operation of our business, this will be an ongoing concern.
Adaptation and mitigation activities	Not yet impacted	Low-impact seismic, amphibious vehicles, redesigning our drilling and production locations for smaller footprint, innovative road development. These initiatives are not expected to come at a high cost, but will provide short- and long-term environmental benefit.
Investment in R&D	Impacted	Devon has been working with competitors for many years to invest in development of new technologies to reduce industry's environmental impact. For example, for the last six years Devon has invested in Canada's Oil Sands Innovation Alliance, and has been a member of the Environmental Partnership and the Energy Water Initiative. Devon has also invested in infra-red camera technology for identifying methane leaks. The impact of these investments, in terms of environmental protection, has been significant.
Operations	Impacted	Educating our staff to help them understand the business case for reducing GHG emissions and how they can impact it. Asking them for new ideas on how to reduce GHG emissions. Increasing and ongoing employee engagement in reducing emissions is expected to have a significant impact on the company's environmental performance.
Other, please specify	Please select	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Not yet impacted	Climate risks and opportunities have not yet discernibly impacted market prices for oil, natural gas and related liquids, but Devon (together with a third-party consultant, ICF) has performed an analysis of the potential long-term impacts of a carbon-constrained future. Devon's Climate Change Assessment Report considers how climate-related risks may impact Devon's financial planning process. The Report considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. Because the IEA and ICF base case scenarios differ in their baseline assumptions, analyzing both of them provides a level of robustness against alternative future scenarios. To model the impacts of a carbon-constrained future, the analysis applies, under both scenarios, IEA's assumptions about demand for oil and natural gas under aggressive carbon-reduction policies. In the carbon-constrained scenarios, demand for oil and natural gas is substantially reduced and the results indicate that the aggressive low-carbon scenarios will reduce oil, natural gas, and natural gas liquids (NGLs) prices by 23-37%. 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.
Operating costs	Impacted	Climate-related regulations have increased the cost of Devon's operations. Devon's Climate Change Assessment Report analyzes half-cycle breakeven oil prices—the constant price needed to recover capital expenditures (excluding sunk capital), operating costs, royalties and taxes and earn an acceptable return on investment—for the plays in which Devon operates. The Climate Change Assessment Report performs a comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, including Eagle Ford, STACK, Permian, Powder River Basin and Canada Heavy Oil SAGD. Because Devon's internal calculations of asset-specific prices are confidential, the breakeven oil prices for Eagle Ford, STACK, Permian Delaware, and Powder River Basin oil wells are based on the Citi E&P oil price breakeven analysis and the breakeven oil price for the steam-assisted gravity drainage (SAGD) heavy oil projects is based on a recent SAGD heavy oil supply cost study by the Bank of Montreal (BMO). All of Devon's oil assets are expected to yield high economic returns in the \$64/Bbl oil price environment in the ICF Base Case and much higher returns in the \$102/Bbl oil price environment in the IEA New Policies Scenario. The \$66/Bbl oil price environment in the IEA Sustainable Development Scenario is still higher than all the oil assets' breakevens and, therefore, is expected to yield positive economic returns. Even at much lower WTI oil price projections in the ICF Sustainable Development Case, \$42/Bbl, all of the oil assets are expected to be economic.
Capital expenditures / capital allocation	Impacted	Climate-related regulations have increased the cost of Devon's operations. Devon's Climate Change Assessment Report analyzes half-cycle breakeven oil prices—the constant price needed to recover capital expenditures (excluding sunk capital), operating costs, royalties and taxes and earn an acceptable return on investment—for the plays in which Devon operates. The Climate Change Assessment Report performs a comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, including Eagle Ford, STACK, Permian, Powder River Basin and Canada Heavy Oil SAGD. Because Devon's internal calculations of asset-specific prices are confidential, the breakeven oil prices for Eagle Ford, STACK, Permian Delaware, and Powder River Basin oil wells are based on the Citi E&P oil price breakeven analysis and the breakeven oil price for the steam-assisted gravity drainage (SAGD) heavy oil projects is based on a recent SAGD heavy oil supply cost study by the Bank of Montreal (BMO). All of Devon's oil assets are expected to yield high economic returns in the \$64/Bbl oil price environment in the ICF Base Case and much higher returns in the \$102/Bbl oil price environment in the IEA New Policies Scenario. The \$66/Bbl oil price environment in the IEA Sustainable Development Scenario is still higher than all the oil assets' breakevens and, therefore, is expected to yield positive economic returns. Even at much lower WTI oil price projections in the ICF Sustainable Development Case, \$42/Bbl, all of the oil assets are expected to be economic.
Acquisitions and divestments	Not yet impacted	Devon's risk management has included, beginning in 2018, formal and ongoing consideration of the quantifiable effects of climate change on Devon's portfolio. Devon's risk evaluation uses a scenario analysis of technology and market conditions that considers pricing scenarios that are at least as challenging as IEA's Sustainable Development Scenario and runs through at least 2040 (this report analyzes through 2050).
Access to capital	Not yet impacted	While we have seen increased investor interest in climate-related issues, we have not experienced barriers to capital markets. We cannot speculate about investor sentiment in the future, but access to capital is expected to continue primarily as a function of investment returns.
Assets	Not impacted	Climate related risks are evaluated for various assets. Devon's Climate Change Assessment Report analyzes half-cycle breakeven oil prices—the constant price needed to recover capital expenditures (excluding sunk capital), operating costs, royalties and taxes and earn an acceptable return on investment—for the plays in which Devon operates. The Climate Change Assessment Report performs a comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, including Eagle Ford, STACK, Permian, Powder River Basin and Canada Heavy Oil SAGD. Because Devon's internal calculations of asset-specific prices are confidential, the breakeven oil prices for Eagle Ford, STACK, Permian Delaware, and Powder River Basin oil wells are based on the Citi E&P oil price breakeven analysis and the breakeven oil price for the steam-assisted gravity drainage (SAGD) heavy oil projects is based on a recent SAGD heavy oil supply cost study by the Bank of Montreal (BMO). All of Devon's oil assets are expected to yield high economic returns in the \$64/Bbl oil price environment in the ICF Base Case and much higher returns in the \$102/Bbl oil price environment in the IEA New Policies Scenario. The \$66/Bbl oil price environment in the IEA Sustainable Development Scenario is still higher than all the oil assets' breakevens and, therefore, is expected to yield positive economic returns. Even at much lower WTI oil price projections in the ICF Sustainable Development Case, \$42/Bbl, all of the oil assets are expected to be economic.

	Relevance	Description
Liabilities	Not yet impacted	Devon's Climate Change Assessment Report considers potential impacts from a possible climate-constrained future, including risks and liabilities from the Task Force on Climate-related Financial Disclosures (TCFD). These risks include potential liabilities associated with policy and legal risk, technology risk, market risk and reputation risk. The Climate Change Assessment Report considers base case scenarios from both ICF and the IEA for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. Because the IEA and ICF base case scenarios differ in their baseline assumptions, analyzing both of them provides a level of robustness against alternative future scenarios. Devon's Climate Change Assessment Report also analyzes half-cycle breakeven oil prices—the constant price needed to recover capital expenditures (excluding sunk capital), operating costs, royalties and taxes and earn an acceptable return on investment—for the plays in which Devon operates. The Climate Change Assessment Report performs a comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, including Eagle Ford, STACK, Permian, Powder River Basin and Canada Heavy Oil SAGD. Because Devon's internal calculations of asset-specific prices are confidential, the breakeven oil prices for Eagle Ford, STACK, Permian Delaware, and Powder River Basin oil wells are based on the Citi E&P oil price breakeven analysis and the breakeven oil price for the steam-assisted gravity drainage (SAGD) heavy oil projects is based on a recent SAGD heavy oil supply cost study by the Bank of Montreal (BMO). All of Devon's oil assets are expected to yield high economic returns in the \$64/Bbl oil price environment in the ICF Base Case and much higher returns in the \$102/Bbl oil price environment in the IEA New Policies Scenario. The \$66/Bbl oil price environment in the IEA Sustainable Development Scenario is still higher than all the oil assets' breakevens and, therefore, is expected to yield positive economic returns. Even at much lower WTI oil price projections in the ICF Sustainable Development Case, \$42/Bbl, all of the oil assets are expected to be economic.
Other	Please select	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b

(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b) Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.

No, we do not have a low-carbon transition plan

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

The primary influence on business strategy related to climate change is regulation. We have developed a strategy to help manage regulatory mandates in the United States and Canada. We also consider how future GHG related mandates might impact operations. In Canada, all sources of GHGs (venting, combustion, fugitive emissions, etc.) at all facilities are monitored, and regulatory reporting is done in accordance with regulatory requirements. In the U.S. Devon collects data and discloses annual GHG emissions according to the requirements of EPA's Mandatory Greenhouse Gas Reporting Rule. Devon closely follows regulatory changes to the program.

The most substantial business decision we've made is the setting of a methane-emissions reduction target for our U.S. operations, imposing standards more stringent than government regulation requires. In addition to our ongoing effort to accommodate changing regulatory reporting requirements, we continue to promote energy efficiency and emissions reduction initiatives that ensure short-term and long-term compliance. For example, in the US we have created a leak detection program and have installed storage tank emission controls and remote data collection technology at newly acquired production sites. In Canada, leak detection and repair are required by regulation. These measures help reduce GHG emissions from our production sites, improving our ability to comply with state, provincial and federal emissions requirements.

In Canada, Devon's Jackfish thermal heavy oil facility is subject to a product-based emission intensity performance standard. Devon is continually working to improve efficiency, which results in a lower GHG emission intensity. Employees participate in a number of industry associations to monitor current and emerging GHG and climate change policy at the state, provincial and federal levels. Our strategy of communicating, monitoring, reporting and targeting reductions allows us to maintain regulatory compliance while proactively looking ahead to potential mandates in the future.

Impending regulation has impacted our environmental strategy. Devon has modified its environmental strategy by creating a policy group to monitor upcoming environmental regulation and prepare the business to comply. Devon primarily emits carbon dioxide and methane in the process of producing natural gas and oil. The company has seen several proposed and final rules pertaining to GHG emissions that have affected our business. The EPA's GHG Mandatory Reporting Rule requires operators to report GHG emissions from petroleum and natural gas systems. The EPA has also finalized clean air standards for oil and gas (New Source Performance Standards (NSPS) subparts OOOO and OOOOa). The rules call for reductions in volatile organic compounds and methane. These regulations require Devon to modify existing procedures, add additional resources to process and collect data, and modify sites to implement additional control equipment. Collectively these new regulations increase Devon's compliance costs.

Additionally, 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. This provides Devon with a competitive advantage in areas where fresh water availability or produced water disposal capacity is constrained.

We believe energy efficiency and conservation are the most immediate and cost-effective ways to reduce emissions. Devon is assessing emerging technologies that could reduce GHG emissions associated with our energy production operations. For example, Devon is a charter member of Canada's Oil Sands Innovation Alliance, which is a collaborative partnership of oil sands producers focusing on innovative solutions to environmental challenges, such as emissions reduction. Devon also is actively engaged in collaborative efforts to explore the potential for carbon capture and storage technologies as part of our long-term (10+ year) strategy for reducing GHG emissions. Our business strategy includes commitment to be an innovative industry leader in exploration and production as well as in stewardship. By taking a proactive approach to emissions reduction and other sustainability issues, we earn stakeholder trust. As we incorporate new emission reduction ideas, we reduce emissions, earn continued trust and lower the cost of regulatory compliance.

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. Devon evaluated pricing scenarios and model results from both ICF and the widely-referenced International Energy Agency (IEA). 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. This analysis considers the likelihood of those events occurring and how Devon could mitigate the potential impact of those events. Devon responds to changes in the industry by strategically re-positioning its portfolio and incorporating new technological innovations and industry practices to remain economically profitable and environmentally responsible.

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details
IEA Sustainable development scenario	<p>Devon (together with a third-party consultant, ICF) evaluated several possible future climate change scenarios in order to quantify the risks to Devon from aggressive global carbon reduction-policies, modeled through 2050. Specifically, Devon's Climate Change Assessment Report considers pricing scenarios from both ICF and the widely-referenced International Energy Agency (IEA) for the oil and natural gas market and compares each base case scenario to an alternate carbon-constrained future scenario. Because the IEA and ICF base case scenarios differ in their baseline assumptions, analyzing both of them provides a level of robustness against alternative future scenarios. To model the impacts of a carbon-constrained future, the analysis applies, under both scenarios, IEA's assumptions about demand for oil and natural gas under aggressive carbon-reduction policies. In the carbon-constrained scenarios, demand for oil and natural gas is substantially reduced and the results indicate that the aggressive low-carbon scenarios will reduce oil, natural gas, and natural gas liquids (NGLs) prices by 23-37%. 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. Devon's Climate Change Assessment Report also analyzes half-cycle breakeven oil prices—the constant price needed to recover capital expenditures (excluding sunk capital), operating costs, royalties and taxes and earn an acceptable return on investment—for the plays in which Devon operates. The Climate Change Assessment Report performs a comparison of projected regional price impacts with estimated regional breakeven prices for each of Devon's major assets, including Eagle Ford, STACK, Permian, Powder River Basin and Canada Heavy Oil SAGD. Because Devon's internal calculations of asset-specific prices are confidential, the breakeven oil prices for Eagle Ford, STACK, Permian Delaware, and Powder River Basin oil wells are based on the Citi E&P oil price breakeven analysis and the breakeven oil price for the steam-assisted gravity drainage (SAGD) heavy oil projects is based on a recent SAGD heavy oil supply cost study by the Bank of Montreal (BMO). All of Devon's oil assets are expected to yield high economic returns in the \$64/Bbl oil price environment in the ICF Base Case and much higher returns in the \$102/Bbl oil price environment in the IEA New Policies Scenario. The \$66/Bbl oil price environment in the IEA Sustainable Development Scenario is still higher than all the oil assets' breakevens and, therefore, is expected to yield positive economic returns. Even at much lower WTI oil price projections in the ICF Sustainable Development Case, \$42/Bbl, all of the oil assets are expected to be economic. An in-depth analysis of the above can be found in the Climate Change Assessment Report. 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. This analysis considers the likelihood of those events occurring and how Devon could mitigate the potential impact of those events.</p>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Scope

Scope 1

% emissions in Scope

25

Targeted % reduction from base year

45

Base year

2014

Start year

2019

Base year emissions covered by target (metric tons CO2e)

31400000

Target year

2025

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

% of target achieved

0

Target status

New

Please explain

The government of Alberta has committed to reducing methane emissions from the upstream oil and gas industry by 45% by 2025, from a 2014 baseline. This target will be met through industry's voluntary early action to reduce methane emissions and increased regulatory stringency. New regulations which come into effect in 2020 target methane emissions from venting, fugitives and other equipment design standards (pneumatic devices, dehydrators etc.). The % emissions in scope referenced in a previous column refers to the % of all emissions from the upstream oil and gas industry in Alberta. The targeted % reduction, and baseline year emissions covered by target referenced in previous columns refers to Alberta upstream oil and gas methane emissions, not Devon emissions. <https://www.alberta.ca/climate-methane-emissions.aspx>

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope

Scope 1+2 (location-based)

% emissions in Scope

40

Targeted % reduction from base year

18.5

Metric

Metric tons CO2e per unit of production

Base year

2018

Start year

2018

Normalized base year emissions covered by target (metric tons CO2e)

2495842

Target year

2018

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

% of target achieved

100

Target status

Underway

Please explain

In 2018, the Devon Jackfish SAGD facility (located in Alberta, Canada) was subject to the Carbon Competitiveness Incentive Regulation (CCIR). This is a carbon pricing regulation, under which regulated facilities are required to meet product-based emission intensity performance standards. The performance standard is based on top-quartile emission intensity performance for the sector. The 18.5 targeted % reduction from baseline given in a previous column represents the % reduction required from the Jackfish SAGD facility's emission intensity in order to meet the performance standard. It is a regulatory requirement to meet 100% of the emission reduction target. A facility can meet the target by reducing emission intensity, purchasing carbon offsets or paying into a new technology fund at \$30/tonne (the price of carbon).

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1a/b.

C-OG4.2a

(C-OG4.2a) If you do not have a methane-specific emissions reduction target for your oil and gas activities or do not incorporate methane into your target(s) reported in C4.2 please explain why not and forecast how your methane emissions will change over the next five years.

In its U.S. operations, Devon did not have a methane emissions reduction target during the reporting year, but a target has been announced in 2019. By 2025, Devon expects to achieve a methane-emissions intensity rate of 0.28%, down from an estimated 0.32% currently.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	1430
To be implemented*	2	6100
Implementation commenced*	0	0
Implemented*	2	6100
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Process emissions reductions

Description of initiative

New equipment

Estimated annual CO2e savings (metric tonnes CO2e)

600

Scope

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

20000

Payback period

>25 years

Estimated lifetime of the initiative

6-10 years

Comment

Devon Canada installed 2 combustors on well pads in 2018 to combust vented methane emissions. Going forward, combustors will be evaluated at all well pads.

Initiative type

Fugitive emissions reductions

Description of initiative

Oil/natural gas methane leak capture/prevention

Estimated annual CO2e savings (metric tonnes CO2e)

5500

Scope

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

40000

Payback period

>25 years

Estimated lifetime of the initiative

1-2 years

Comment

Devon Canada conducts a fugitive emission audit annually at our oil sands facilities. The majority of leaks are repaired during the audit. Leaks that cannot be repaired during the audit are evaluated if they are economically feasible to make, and then are repaired at a later date.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Gas conservation and leak detection and repair surveys are performed in accordance with regulation. Regulated emission intensity reduction targets at Jackfish and a regulated price on carbon emissions help drive efficiency initiatives, such as steam-to-oil ration (SOR) optimization, and fuel gas efficiency initiatives.
Dedicated budget for low-carbon product R&D	Devon Canada's COSIA Technology Team had funding dedicated to GHG reduction projects in 2018.
Employee engagement	Devon Canada has a database where employees can enter new ideas for projects, including GHG reduction projects, and be involved in the screening and development of these projects. We have also done extensive educational campaigns to educate frontline workers on how to impact GHG emissions at our facilities.
Other	Participation in industry effort to reduce emissions -- Devon is a founding member of the Environmental Partnership, an organization devoted to pursuing and tracking emission reducing technologies onshore in the United States. These projects include leak detection and monitoring, pneumatic controller replacement, and the manual monitoring of liquids unloading events.
Internal price on carbon	Devon Canada uses an internal price of carbon at our oil sands facility (Jackfish) that is based on the provincially regulated price of carbon. For example, in 2018 Devon's Jackfish SAGD projects paid a price of \$30/tCO ₂ e on any emissions that exceeded the facility emissions threshold. This internal price of carbon is included in project economics when evaluating future projects to identify the most economically viable projects.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

In our U.S. operations, Devon recognizes the potential risk of climate-driven regulation pertaining to capture and monitoring of methane emissions from production sites. Even before EPA required new production facilities to be monitored using infra-red cameras, Devon recognized that such regulation was likely, and moved quickly to acquire cameras and train operators in using them. We began monitoring some of our sites before the regulation was proposed and currently conduct LDAR monitoring on selected sites that are not yet subject to EPA regulation. We believe this experience and decision provides us with a competitive advantage. Similarly, Devon continues to monitor new technology that could take the place or IR-camera based LDAR monitoring.

In our Canadian operations, there have been significant reductions in vented methane emissions over the last few years. Vented methane emissions from our cold flow heavy oil operations have decreased by approximately 50% since 2014. These reductions are due to improved operational practices and new pad development strategies. For example, we have implemented Focused Development Areas for pad development, this involves developing multi-well pads in close proximity to each other. This has the benefit of making solution gas conversation more economical. With more wells closer together it becomes more economical to build a pipeline to connect any gas produced to the nearest gas gathering system. There has also been increased operational focus on managing vented gas from well pads that are not tied into a gas gathering system.

COG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

Devon has established a methane leak detection and repair standard operating procedure (SOP) for U.S. oil and gas production facilities. The SOP establishes the process of using infra-red cameras to evaluate emissions associated with the company's operations and enhance its management practices. Where leaks are detected they are repaired and verified. Devon's program continues to expand year over year, averaging more than 375 surveys per month in 2018. Surveys are conducted in all of Devon's operating areas, including at facilities where LDAR is not required by federal or state regulation.

In Canada, fugitive emissions management is regulated. Devon Canada currently has a risk-based fugitive emissions management plan, which includes annual leak detection and repair surveys at large facilities that are at a higher risk (for example, sites with vapor recovery units on tanks), and lower risk facilities are surveyed on a less frequent basis. Leak detection and repair surveys include surveying with optic imaging cameras, as well as audio, visual and olfactory surveys. In order to meet the Alberta Government's commitment of a 45% reduction in methane emissions from the upstream oil and gas sector, more stringent leak detection and repair regulation is expected to come into effect in Canada in the next few years. Although the details of the more stringent regulations are not confirmed, Devon Canada is well positioned to comply with the regulations.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

For Devon's U.S. operations, flaring is managed from the planning stage on through the drilling, completion, and production of the well. Flaring is avoided where possible but is still preferred practice as compared to venting. Flaring is typically necessary when there is an upset in takeaway capacity from pipelines connected to our facilities. At that point the gas must then be flared or the well shut in. These takeaway upsets are not generally in Devon's control, and are instead caused by issues with third party gas processing facilities, compressors, and other capacity issues. When the upsets are predictable or planned, Devon is in some cases able to shut in wells and delay production, but for unforeseen events, flaring can be required to avoid venting the gas that cannot be captured. It is in Devon's best interest to capture as much natural gas as is feasible, so much care is given in the planning of facilities to ensure that takeaway capacity is planned or already exists at the time our facilities go into production.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

June 1 2006

Base year end

May 31 2007

Base year emissions (metric tons CO2e)

3680000

Comment

Scope 2 (location-based)

Base year start

June 1 2006

Base year end

May 31 2007

Base year emissions (metric tons CO2e)

490000

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009
Canadian Association of Petroleum Producers, Calculating Greenhouse Gas Emissions, 2003
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2003
US EPA Mandatory Greenhouse Gas Reporting Rule
Other, please specify

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Environment and Climate Change Canada (ECCC). 2014, National Inventory of GHG, CAC and Other Priority Substances by the Upstream Oil and Gas Industry (references years 2001 to 2011) – Volumes 1 to 4. Prepared by Clearstone Engineering Ltd., Calgary, AB.

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

5647500.88

Start date

January 1 2018

End date

December 31 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

In the United States and Canada, Devon uses the invoice numbers for kilowatts purchased and an emission factor per region and/or state to calculate our scope 2 emissions.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

654124

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

January 1 2018

End date

December 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

US Operations – Emissions below the Gathering & Boosting segment threshold of EPA's GHG reporting program.

Relevance of Scope 1 emissions from this source

Emissions are relevant and calculated, but not disclosed

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Emissions from the Gathering & Boosting segment falling below the reportable threshold under the EPA's GHG reporting program are not included; however, emissions are calculated for screening purposes to determine applicability to the reporting program.

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information from our hundreds of counterparts, vendors, and service providers. Most do not maintain such information in a uniform way. However, we rely on our business partners to comply with all applicable state and federal laws, including applicable emissions reporting.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information from our hundreds of vendors and service providers. Most do not maintain such information in a uniform way. However, we rely on our business partners to comply with all applicable state and federal laws, including applicable emissions reporting.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information from our vendors and service providers. Most do not maintain such information in a uniform way. However, we rely on our business partners to comply with all applicable state and federal laws, including applicable emissions reporting.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information from our counterparts and service providers. Most do not maintain such information in a uniform way. However, we rely on our business partners to comply with all applicable state and federal laws, including emissions reporting, to ensure their ability to continue receiving our product.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Although we track the volume of waste sent to disposal facilities, we believe the GHG emissions that would occur during disposal or treatment of said waste would be minimal. We routinely audit third-party disposal facilities for compliance with applicable state and federal regulations and laws.

Business travel

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information. Although we generally know the number of commercial airline segments flown on any given year, we are not in a position to report GHG emissions on said flight segments due to the number of variables and uncertainties (e.g. flight path, flight connections, length of flight, aircraft type, fuel efficiencies etc.).

Employee commuting

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information. We do not track the mode of transportation of each employee on a daily basis.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We believe that any applicable emissions from our upstream leased assets would be reported as Scope 1 or Scope 2 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information. While we have the ability to track directly to whom we sell our products, we are not in a position to speculate as to the ultimate purchaser, processor, distributor, or consumer of our products.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information. While we have the ability to track directly to whom we sell our products, we are not in a position to speculate as to the ultimate purchaser, processor, distributor, or consumer of our products.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information. While we have the ability to track directly to whom we sell our products, we are not in a position to speculate as to the ultimate purchaser, processor, distributor, or consumer of our products.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information. While we have the ability to track directly to whom we sell our products, we are not in a position to speculate as to the ultimate purchaser, processor, distributor, or consumer of our products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information. While we have the ability to track directly to whom we sell our products, we are not in a position to speculate as to the ultimate purchaser, processor, distributor, or consumer of our products.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

We are not in a position to gather such information.

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000587071

Metric numerator (Gross global combined Scope 1 and 2 emissions)

6301625.12

Metric denominator

unit total revenue

Metric denominator: Unit total

10734000000

Scope 2 figure used

Location-based

% change from previous year

12

Direction of change

Decreased

Reason for change

A 21% increase in revenue in 2018 coupled with a relatively small, 6% increase in Scope 1 and 2 emissions (including a reduction of 6100 MT CO₂e from emissions reduction activities) resulted in a decrease of CO₂e emissions intensity per unit total revenue. Please note that Devon altered the calculation method for Total Revenue in 2018; therefore, updated 2017 revenue was used in the calculation.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO₂e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)

Other, please specify (Thousands of barrels oil equivalent (MBOE))

Metric tons CO₂e from hydrocarbon category per unit specified

21.15

% change from previous year

1

Direction of change

Increased

Reason for change

Devon's increase in emission intensity can be attributed to an increase in emission intensity at our Canadian oil sands operations due to reduced production due to market conditions, as well as unexpected operation challenges at the Jackfish SAGD facility.

Comment

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division

Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

0.344

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

0.429

Comment

These values apply to the year 2018.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4416191.24	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	1216457.47	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	14830.72	IPCC Fourth Assessment Report (AR4 - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

45582

Gross Scope 1 methane emissions (metric tons CH4)

322

Total gross Scope 1 emissions (metric tons CO2e)

56067

Comment

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

2591001

Gross Scope 1 methane emissions (metric tons CH4)

174

Total gross Scope 1 emissions (metric tons CO2e)

2606440

Comment

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

1030435

Gross Scope 1 methane emissions (metric tons CH4)

771

Total gross Scope 1 emissions (metric tons CO2e)

1050776

Comment

Emissions category

Flaring

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

573

Gross Scope 1 methane emissions (metric tons CH4)

4

Total gross Scope 1 emissions (metric tons CO2e)

666

Comment

Emissions category

Flaring

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

2797

Gross Scope 1 methane emissions (metric tons CH4)

13

Total gross Scope 1 emissions (metric tons CO2e)

3133

Comment

Emissions category

Flaring

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

737882

Gross Scope 1 methane emissions (metric tons CH4)

1644

Total gross Scope 1 emissions (metric tons CO2e)

779253

Comment

Emissions category

Venting

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

12

Gross Scope 1 methane emissions (metric tons CH4)

678

Total gross Scope 1 emissions (metric tons CO2e)

16970

Comment

Emissions category

Venting

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

375

Gross Scope 1 methane emissions (metric tons CH4)

11781

Total gross Scope 1 emissions (metric tons CO2e)

294894

Comment

Emissions category

Venting

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

6814

Gross Scope 1 methane emissions (metric tons CH4)

22463

Total gross Scope 1 emissions (metric tons CO2e)

568398

Comment

Emissions category

Fugitives

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

4

Gross Scope 1 methane emissions (metric tons CH4)

334

Total gross Scope 1 emissions (metric tons CO2e)

8364

Comment

Emissions category

Fugitives

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

72

Gross Scope 1 methane emissions (metric tons CH4)

2374

Total gross Scope 1 emissions (metric tons CO2e)

59423

Comment

Emissions category

Fugitives

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

645

Gross Scope 1 methane emissions (metric tons CH4)

8099

Total gross Scope 1 emissions (metric tons CO2e)

203116

Comment**C7.2****(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	2601542.57
Canada	3045958.31

C7.3**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

C7.3a**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO2e)
US E&P	2562486.86
US Midstream	39055.71
Canada	3045958.31

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4**(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility generation activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	5608445.17	<Not Applicable>	
Oil and gas production activities (downstream)	39055.71	<Not Applicable>	
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	351347.34		556661.92	
Canada	302776.91		410416.96	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
US E&P	350994	
US Midstream	354	
Canada	302777	

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	653771		
Oil and gas production activities (downstream)	354		
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	6100	Decreased	0.1	Formula used is: ((Emissions reduction MT CO2e) / (previous year scope 1+ scope 2 emissions MT CO2e)) * 100
Divestment	0	No change	0	Although we experienced a decrease in emissions due to divestitures; we do not calculate emissions from divested assets. The buyer is responsible for reporting these emissions.
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	Although we experienced an increase in emissions due to increased production, we are unable to provide numerical data due to the complexity of the calculation methodologies used in reporting our emissions.
Change in methodology	0	No change	0	For the Canada assets we are including Propane emissions that were previously excluded. For U.S. assets we are including emissions from basins that fall below the reporting threshold in the GHG Reporting Program which have previously been excluded.
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	20566365	20566365
Consumption of purchased or acquired electricity	<Not Applicable>	0	967079	967079
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	21533444	21533444

C8.2b**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

19149314.08

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1098112.86

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

262295.5

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Liquefied Natural Gas (LNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

16404.61

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat**MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling**

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

40237.98

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat**MWh fuel consumed for self-generation of steam****MWh fuel consumed for self-generation of cooling**

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Compressed Natural Gas (CNG)

Emission factor

Unit

Please select

Emission factor source

Comment

Diesel

Emission factor

Unit

Please select

Emission factor source

Comment

Liquefied Natural Gas (LNG)

Emission factor

Unit

Please select

Emission factor source

Comment

Natural Gas

Emission factor

0.7217

Unit

metric tons CO₂e per MWh

Emission factor source

Based on gas composition and mass balance.

Comment

This is the emission factor used in the calculation of emissions from the steam generation at our Jackfish SAGD facilities. This is just an example of an emission factor used, however it is representative of our largest single source of emissions.

Propane Gas

Emission factor

Unit

Please select

Emission factor source

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity				
Heat				
Steam	3250753	3250753	0	0
Cooling				

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Grid mix of renewable electricity

Low-carbon technology type

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling

0

Emission factor (in units of metric tons CO₂e per MWh)

0

Comment

While not specifically accounted for in Scope 2 calculations, Devon's U.S. operations are in Oklahoma, where 32% of the state's electricity is generated by wind installations, Texas (15%), New Mexico (14%) and Wyoming (9%). In Canada, the Alberta government has committed that 30% of Alberta's electricity will come from renewable sources by 2030.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	103.22	
Natural gas liquids, million barrels	0	
Oil sands, million barrels (includes bitumen and synthetic crude)	36.52	
Natural gas, billion cubic feet	738.16	

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

Devon has filed reserves information with the SEC and the Department of Energy (“DOE”). Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from known reservoirs under existing economic conditions, operating methods and government regulations. To be considered proved, oil and gas reserves must generally be economically producible before contracts providing the right to operate expire. The process of estimating oil, gas and NGL reserves is complex and requires significant judgment. As a result, we have developed internal policies for estimating and recording reserves. Such policies require proved reserves to be in compliance with the SEC definitions and guidance. Devon discloses only proved reserves (1P) in compliance with the definitions and guidance of the U.S. Securities and Exchange Commission and Department of Energy. The company does not disclose probable and possible (2P and 3P) reserves, as such estimates are subject to even greater uncertainty and speculation that would not serve our stakeholders’ best interests.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment
Row 1				

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil / condensate / Natural gas liquids				
Natural gas				
Oil sands (includes bitumen and synthetic crude)				

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type

Tight/shale

In-year net production (%)

82

Net proved reserves (1P) (%)

80

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

The company does not disclose probable and possible (2P and 3P) reserves, as such estimates are subject to uncertainty and speculation that would not serve our stakeholders' best interests.

Development type

Oil sand/extra heavy oil

In-year net production (%)

18

Net proved reserves (1P) (%)

20

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

The company does not disclose probable and possible (2P and 3P) reserves, as such estimates are subject to uncertainty and speculation that would not serve our stakeholders' best interests.

C-CO9.6/C-EU9.6/C-OG9.6

(C-CO9.6/C-EU9.6/C-OG9.6) Disclose your investments in low-carbon research and development (R&D), equipment, products, and services.

Investment start date

January 9 2015

Investment end date

January 9 2015

Investment area

R&D

Technology area

Carbon capture and storage/utilisation

Investment maturity

Pilot demonstration

Investment figure

3500000

Low-carbon investment percentage

0-20%

Please explain

In 2018, Devon was a part of the NRG COSIA Carbon XPRIZE, a US\$20M challenge to reimagine what we can do with CO2 emissions by incentivizing and accelerating the development of technologies that convert CO2 into valuable products. Devon's \$3.5 million investment in this prize helped to develop the Alberta Carbon Conversion Technology Centre, a groundbreaking carbon capture and conversion technology test centre.

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

46

C-OG9.8

(C-OG9.8) Is your organization involved in the sequestration of CO2?

Yes

C-OG9.8a

(C-OG9.8a) Provide, in metric tons CO2, gross masses of CO2 transferred in and out of the reporting organization (as defined by the consolidation basis).

	CO2 transferred – reporting year (metric tons CO2)
CO2 transferred in	406385.6
CO2 transferred out	0

C-OG9.8b

(C-OG9.8b) Provide gross masses of CO2 injected and stored for the purposes of CCS during the reporting year according to the injection and storage pathway.

Injection and storage pathway	Injected CO2 (metric tons CO2)	Percentage of injected CO2 intended for long-term (>100 year) storage	Year in which injection began	Cumulative CO2 injected and stored (metric tons CO2)
CO2 used for enhanced oil recovery (EOR) or enhanced gas recovery (EGR)	406385.6	0	January 1 2008	5308381

C-OG9.8c

(C-OG9.8c) Provide clarification on any other relevant information pertaining to your activities related to transfer and sequestration of CO2.

Devon Canada is initiating a pilot project in 2018 to assess to feasibility of injecting excess methane gas, that would otherwise be vented, into a depleted well for storage, and potentially enhance heavy oil recovery.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No emissions data provided

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Statement of Verification.pdf

Page/ section reference

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Relevant standard

Alberta Specified Gas Emitters Regulation (SGER)

Proportion of reported emissions verified (%)

42

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

Statement of Verification.pdf

Page/ section reference

p. 1

Relevant standard

Alberta Specified Gas Emitters Regulation (SGER)

Proportion of reported emissions verified (%)

20

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Progress against emissions reduction target	ISO14064-3	The verification scope includes verifying final Compliance Reports for Devon Canada's Jackfish facilities. This includes verifying 2018 emission intensity compared to the reduction target.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Alberta SGER

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

Alberta SGER

% of Scope 1 emissions covered by the ETS

42

Period start date

January 1 2018

Period end date

December 31 2018

Allowances allocated

2120084

Allowances purchased

375757

Verified emissions in metric tons CO2e

2495842

Details of ownership

Facilities we own and operate

Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

In the specific example above, the Carbon Competitiveness Incentive Regulation applies to Alberta facilities that emit greater than 100,000 tonnes of CO₂e annually; currently the Devon Canada Jackfish facility falls under the regulation (The Alberta SGER was the previous carbon pricing system in Alberta, in effect until 2017). In order to comply with the regulation Devon Canada purchases offsets and pays into the Alberta Technology Fund. Over the medium to longer term, emission reductions projects will be evaluated at regulated facilities and new technologies will be tested and developed at the pilot scale for full scale commercial implementation in the future.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Ardenville Wind Farm Offset Project

Verified to which standard

Other, please specify (Standard for Validation, Verification and Audit, Alberta Government)

Number of credits (metric tonnes CO₂e)

187878

Number of credits (metric tonnes CO₂e): Risk adjusted volume

187878

Credits cancelled

No

Purpose, e.g. compliance

Compliance

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Navigate GHG regulations

GHG Scope

Scope 1

Scope 2

Application

Regulatory carbon pricing applies to Devon's Jackfish SAGD project in Alberta. Carbon pricing is applied both at the division wide level (i.e., in the Devon Canada portfolio model), and at the individual project economics level.

Actual price(s) used (Currency /metric ton)

30

Variance of price(s) used

The internal carbon price escalates in a manner similar to the Canadian Federal government's commitments to increase carbon price.

Type of internal carbon price

Offsets

Other, please specify (Explicit carbon pricing)

Impact & implication

In 2018 Devon's Jackfish SAGD project paid a price of \$30/tCO₂e on any emissions that exceeded the facility emissions threshold. The cost to Devon of complying with this regulation was between \$0.20 – 0.40/bbl in 2018.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, other partners in the value chain

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Devon is a member of Canada's Oil Sands Industry Alliance ("COSIA"), an alliance of oil sands producers focused on accelerating the pace of improvement in environmental performance in Canada's oil sands through collaborative action and innovation. And as such, we have invested CAD\$10MM in 2018 and CAD\$35MM since 2013 to lead studies to advance science and the development of technologies to improve environmental performance. Devon has a dedicated team focused on developing this work. Devon's investment also goes toward launching challenges with our suppliers to encourage new development. For example, COSIA launched a Natural Gas Decarbonization challenge seeking out technologies that partially or completely remove the carbon content of natural gas. We are currently down to two technologies and are moving forward to help the companies develop them more fully. We believe challenges like these play an integral role in advancing the reduction of carbon emissions in the oil sands.

Devon also leads and participates in Joint Industry Projects that are projects coordinated through COSIA. For example, Devon is a part of the NRG COSIA Carbon XPRIZE, a US\$20M challenge to reimagine what we can do with CO2 emissions by incentivizing and accelerating the development of technologies that convert CO2 into valuable products. Devon's CAD\$3.5MM investment helped to develop the Alberta Carbon Conversion Technology Centre, a groundbreaking carbon capture and conversion technology test centre.

Entrants to the challenge included companies that have worked with Devon in the past to garage inventors. We worked hard to promote the challenge among our partners and to the world at large.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	Devon is actively engaged in conversations and presentations at all levels, promoting the benefits of clean burning natural gas as a base-load and peak-demand electric generating fuel.	While Devon believes free markets tend to find the best, most cost-effective solutions to public policy problems, the company would support reasonable measures to encourage electric generation from natural gas.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Petroleum Institute

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The oil and gas industry is committed to improving air quality, while continuing to meet the energy demands of our nation. Cleaning the air requires a sound scientific understanding of the sources and impacts of air contaminants. The petroleum industry sponsors and participates in research that seeks these answers. Environmental air issues are complex. The impact on air quality of pollutant emissions is determined by the EPA under the authority of the Clean Air Act.

How have you influenced, or are you attempting to influence their position?

Yes, Devon engages directly with industry and association leaders to help shape policy positions in ways that serve the interest of all stakeholders.

Trade association

American Exploration & Production Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Devon, a U.S.-based oil and natural gas producer with operations focused in North America, shares AXPC's view that the U.S. economy is dependent on our ability to produce domestic energy in a way that is compatible with the environment.

How have you influenced, or are you attempting to influence their position?

Devon is an active member of various AXPC boards and committees, which take up issues surrounding emissions, water and other environmental concerns.

Trade association

Canadian Association of Petroleum Producers

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Climate change is an important global issue, requiring attention across industries and around the globe. Balanced policy should deliver economic growth, environmental protection, and a secure and reliable energy supply.

How have you influenced, or are you attempting to influence their position?

Devon engages directly with industry and association leaders to help shape policy positions that balance economic growth, environmental protection, and a secure and reliable energy supply.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

In the U.S., we are focused on a comprehensive regimen of regulatory emissions mandates established in recent years by the Environmental Protection Agency. Our business units operate within the parameters of these mandates and our Environmental Health and Safety Department performs annual audits companywide to ensure these rules are followed. Additionally, Devon requires vendors to perform work according to environmental, health and safety rules in all Master Service Agreements (MSA).

In Canada, an Environment, Health and Safety Management System (EHSMS) has been in place since 2014. A guiding principal of the EHSMS is that the management and minimization of environmental risks and liabilities must be integral in our operations. Devon recognizes that management must take action in creating and promoting environmentally responsible actions, and the purpose of the EHSMS is to ensure consistency and alignment across all business units. All Devon Canada operations must adhere to the principals and practices within the EHSMS. The system will continuously be updated to meet or exceed all regulations and generally accepted environmental management practices. This is implemented through an environmental policy management group that follows emerging policy closely and ensures that advocacy positions are aligned with corporate strategy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In other regulatory filings

Status

Complete

Attach the document

DVN-2019-Proxy-Statement.pdf

Page/Section reference

Risk oversight, p. 25-26 Climate change, p. 3, 27

Content elements

Governance

Strategy

Risks & opportunities

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

DVN 2018 10K.pdf

Page/Section reference

Emissions, p. 17, 18 Climate change, p. 18 Environment, p. 6, 14, 16, 19, 95,

Content elements

Governance

Strategy

Risks & opportunities

Other metrics

Comment

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

DVN_SR18_0_FULL-REPORT.pdf

Page/Section reference

Climate change, 2, 3, 11, 13, 14, 18, 19, 20, 21, 45 Emissions, 5, 13, 15, 16, 17, 18, 19, 20, 21, 29, 47, 72

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

Disclosing-the-Facts-2018_FINAL.pdf

Page/Section reference

Content elements

- Governance
- Strategy
- Risks & opportunities

Comment

C14. Signoff

C-FI

(C-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.

Tony Vaughn is Devon Energy's Chief Operating Officer.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Operating Officer	Chief Operating Officer (COO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms

EXHIBIT J

(see attached)



February 2019

The following information is provided in response to the 2018 *Disclosing the Facts* Questionnaire

For all responses, information may be available on Devon's website, including CDP and Sustainability reports, with additional responsive detail.

Bold text is new information, published in February 2019.

<u>Question</u>	<u>Question</u>	<u>Additional Information</u>
13	For each play, does the company state its practices for reducing use of fresh water in operations?	<p>Across each of Devon's operating areas, Devon is conscious of the amount of fresh water consumed by our operations and uses non-potable and marginal quality water where available. However, the most effective way Devon has found to avoid fresh water use in areas of high drilling and completion activity is through produced water recycling operations.</p> <p>New Mexico: Our history of leadership in water conservation includes being the first company to recycle flowback and produced water from natural gas wells in North Texas and becoming the largest user of treated produced water in New Mexico, where we led the effort to establish state rules to encourage the practice. Today, reused water accounts for more than 80 percent of the company's needs in arid southeastern New Mexico's Delaware Basin, where we have constructed eight impoundment basins – each 15-feet deep and covering four acres. They're integral to our operations and to saving water, connected by a local pipeline network without which we'd be hauling water that would fill about 500 trucks per day. We use fresh water in the Delaware only for blending, and only when reused water isn't available in sufficient quantities.</p> <p>Oklahoma: Devon takes a local approach to developing water-management plans, which consider the availability and quality of water, local ecosystems and habitats, regulations and other factors. In our home state of Oklahoma, where demand for water is growing, Devon is evaluating a water-management strategy based on the Oklahoma Comprehensive Water Plan. The goal of the state water plan is to consume no more fresh water in 2060 than was consumed in 2010. Given our strong desire to be good environmental stewards, we have actively sought alternatives to fresh water. We are exploring how to further incorporate marginal-quality, non-potable water into our STACK operations. When feasible, we use brackish water, flowback and produced water as sources for well completions. In addition, we've built local pipelines connecting well sites to central water reuse and storage facilities that have conserved millions of barrels of water.</p> <p>Wyoming: In Wyoming, our Rockies business unit is working to establish a water-recycling program as we prepare to increase our activity level there. We plan to begin recycling water in Wyoming in 2019.</p>

		<p>Texas: In Texas, Devon is conscious of its fresh water use and uses non-potable sources where available but given the smaller scale of our drilling and completion activities currently in Texas, it has not yet made economic sense to invest in large scale recycling or reuse facilities in the area.</p> <p>Canada: In our oil sands operations in Alberta, Devon Canada's Jackfish project was the first commercial steam-assisted gravity drainage (SAGD) facility to use no fresh water in its operations. Instead, we use only saline water to create the steam required to produce heavy oil, and more than 85 percent of this water is recycled.</p>
15	Does the company state the methods it uses for all plays to store produced water (i.e. tanks, open impoundments)?	The majority of produced water from Devon's onshore production facilities is stored in tanks at either the surface location, a central tank battery, or a disposal facility. For produced water recycling operations, water is stored temporarily in lined pits, where it undergoes treatment as designed for the hydraulic fracturing operations for which it will be used. Additionally, some produced water in Wyoming is stored in pits for disposal. Produced water at our Jackfish project in Canada is stored temporarily in lined pits and then recycled through the water treatment plant.
16	For each storage method in the question above, does the company state the measures it takes to reduce spills, leaks, volatile emissions, and/or hazards to wildlife?	<p>In keeping with the pollution prevention principle in our EHS Philosophy, we employ the appropriate tools and techniques to minimize discharges of oil, produced water and other materials from equipment and facilities. For our facilities which store water in tanks, preventative measures include secondary containment, nearly full tank alarms and offsite equipment monitoring with the ability to shut in facilities remotely.</p> <p>For our produced water recycling facilities, any pits are designed to maintain a level that leaves at least 3 feet of freeboard, which virtually eliminates the risk of overflow from rain. Additionally, our pits are designed to be double-lined and sloped to direct any water that penetrates the first liner to a sump pump. In between the two liners is a mesh with a leak detection device, which would alarm our operators when a liner leaks. Similarly, our disposal pits are lined as well.</p>
20	If the waste products from the company's operations are reused for purposes other than hydraulic fracturing operations, does the company disclose how such waste products are used (e.g. wastewater for dust suppression or agricultural irrigation, or road de-icing) and methods for assuring such measures do not cause human or environmental harm?	<p>An example of a waste stream being recycled is found at our Jackfish complex, which includes an on-site waste landfill. We collect leachate fluid from the landfill and divert it to the Jackfish central processing facility, where it is processed and incorporated into the steam-generation process required for oil production.</p> <p>In Wyoming, some produced water is used under Subpart E of the Oil and Gas Extraction Point Source Category under the beneficial use subcategory. Otherwise, outside of water recycled in hydraulic fracturing operations, all produced water and production waste is disposed of according to EPA and applicable state requirements.</p>

22	Does the company state a practice to use dry hydraulic fracturing chemicals instead of liquid ones, and in what circumstances?	Devon does not state a practice of using dry chemicals. Instead, Devon's preferred practice is to use liquid chemicals. In Devon's opinion, there is less chance for inhalation of hydraulic fracturing chemicals when they are in a liquid form, and Devon has not found dry chemicals to pose a lesser risk of environmental harm in a release scenario given the way chemicals are typically handled on site.
24	If a company excludes reporting of chemicals due to claims of Confidential Business Information, does the company clearly state on its website that FracFocus and/or its reporting may exclude chemicals protected by claims of CBI?	A full registry of wells and chemical additives, along with much more information about hydraulic fracturing, is available at fracfocus.org . Devon played a leading role in the creation of FracFocus in 2011, and continues to be a leading contributor of information to the site. Since that time, Devon has made a practice of reporting its well completions to the fracfocus.org database. In these reports, Devon follows state rules and regulations to determine the required information that must be disclosed, where they exist, but in all disclosures, Devon relies upon the data supplied by our chemical and service providers in Safety Data Sheets for individual components. In certain situations, the Occupational Safety and Health Administration allows a manufacturer to withhold certain information about a chemical compound or substance as confidential business information (CBI), also known as a trade secret. This allowance provides our chemical providers with the flexibility to investigate the efficacy of more environmentally friendly additives in situations where those additives would not be protectible under patent. Therefore, a small percentage of chemicals disclosed in some of Devon's disclosures may include a chemical that falls under this CBI provision, and in those cases, a specific Chemical Abstract Service (CAS) number is not provided.
25	Does the company state measures it and/or its third-party contractors take to reduce CBI claims for chemicals used in its hydraulic fracturing operations?	Devon does not currently claim any chemical used in hydraulic fracturing as trade secret, however, some of our contracted service providers do. Recognizing that trade secret protection sometimes allows for greater innovation (e.g., greener alternatives), Devon believes the ability to protect certain information by trade secret can be important. However, that potential environmental and competitive benefit is also weighed against the public benefit of disclosure of those chemicals where possible. For this reason, many states required that trade secret owners provide emergency contact information and chemical family information so that effective incident response could be made and research could be performed. Additionally, after analysis of the FracFocus database performed by the EPA in 2015, the Groundwater Protection Council, with input from Devon and several other operators, environmental advocacy organizations and academia, worked to upgrade the reporting system to allow for what is referred to as a "systems-style" disclosure. In this type of disclosure, hydraulic fracturing chemicals are not broken out by their trade name and purpose, but instead have each of their components combined into a single disclosure for the well. The use of this systems-style disclosure, where possible, has allowed for a significant reduction in CBI claims on FracFocus since the time of its implementation.

The responses contained in this document are made as of the date of this document. Devon does not undertake any obligation to update the responses as a result of new information, future events or otherwise.



October 2017

The following information is provided in response to the 2017 *Disclosing the Facts* questionnaire.

<u>Question No.</u>	<u>Question</u>	<u>Additional Information</u>
1.	Does the company describe its leak detection and repair program, including the facilities and assets covered by the program?	<p>Devon has both a regulatory based and voluntary LDAR program that goes beyond compliance. Devon’s LDAR program applies to all facilities and assets. Devon’s LDAR program is designed to concentrate Devon’s efforts on its largest throughput or higher potential for leakage sites based on facility equipment and design.</p> <p>Devon has initiated a Preventative Maintenance program that will allow for the identification of leak prone equipment.</p> <p>Devon uses FLIR® cameras in every operating area of the company. Devon has invested over \$1,000,000 in FLIR® cameras alone.</p>
2.	Does the company describe the specific methodologies used (e.g. infrared camera, audio visual olfactory, continuous monitoring, stationary methane detectors) to identify methane leaks in its operations?	<p>Please refer to Devon’s 2016 Corporate Social Responsibility report, which may be found on Devon’s Social Responsibility webpage.</p> <p>The methodology used in Devon’s LDAR program is primarily infrared cameras (FLIR®). In addition, audio visual olfactory testing and, in Canada, hi-flow sampler measurement are also employed. Continuous ambient monitoring stations and passive stations are used to monitor ambient air quality at some Devon locations in Canada.</p>
3.	For the specific methodologies described in Question No. 2, does the company describe how frequently it uses each methodology and what proportion/percentage of each facility and/or asset is covered?	<p>Devon performs LDAR surveys in all operating areas. This includes LDAR survey requirements associated with production sites subject to EPA’s NSPS Subpart OOOOa regulations and sites subject to BLM venting and flaring regulations.</p>



		<p>With respect to Devon’s voluntary LDAR program in the U.S., the survey frequency varies among Devon’s operating areas depending on the volume, rate, and characteristics of the hydrocarbons Devon produces. The program categorizes facilities and assets to concentrate efforts on sites with the highest production volume/rate or highest potential for leakage based on facility equipment and design. This leads to a focus on sites closed with vent systems and emission control for tanks. In Canada, the frequency and proportion of LDAR conducted is determined based on potential for leakage.</p> <p>In addition to the information available in Devon’s Corporate Social Responsibility Report, Devon’s CDP report describes the specific standards, protocols, or methodologies that Devon uses to collect data on emissions. Please see the response to Question No. 11 below and information available in Devon’s CDP reports.</p>
4.	Does the company describe its leak repair procedures(s), principally the routine time period between leak detection and repair?	<p>Devon uses a work order system to schedule repairs. Our system reflects that leaks are repaired in a timely fashion and are generally performed within less than 30 days of discovery. When possible, leaks are repaired promptly upon discovery.</p> <p>Devon’s work order system allows the company to prioritize repairs for large leaks, but Devon typically addresses all leaks in the same timeframe.</p>
5.	Does the company describe its engineering and maintenance practices to, prevent, or minimize leaks?	<p>Devon is implementing a field structure program in which each field employee is provided specific work responsibilities. In each operating area, Devon has added the position of Environmental Operator whose function is to perform environmental monitoring.</p> <p>Devon has implemented a voluntary 90-day environmental review on new and significantly modified facilities to check for air permit compliance and function of emission control devices.</p>



		Devon has also implemented an Engineering Design Standard for newly constructed and redesigned facilities. This ensures consistent engineering design that incorporates emission performance.
6.	Does the company describe the leak detection training it provides its operational/production staff, contractors who routinely visit well sites and/or are hired to conduct leak detection and repair, and staff trained specifically to conduct LDAR?	<p>Devon performs LDAR surveys with company personnel (Environmental Professionals or Environmental Operators) or third party LDAR companies. All personnel have received FLIR® camera and LDAR survey training from a certified trainer.</p> <p>The LDAR training program includes both in classroom, on-site, and hands-on components.</p>
7.	Does the company disclose an active, quantitative methane emissions reduction target, with timeline, and progress toward achieving this target?	Please see the response to Question No. 11 below and information available in Devon’s CDP reports for the disclosure of any targets.
8.	Does the company describe its company-wide methane venting practices?	Devon does not typically vent associated gas from the well when gas pipeline takeaway is unavailable. Devon employs emission reduction technology and control venting from other sources as required by regulation in order to minimize venting. In its heavy oil operations, Devon employs conservation and use of associated gas as a fuel source where possible.
9.	Does the company describe its company-wide methane flaring practices, including success in reducing flaring?	Devon has development planners in each Business Unit. Their job is to ensure gas takeaway infrastructure is in place before a well is drilled. This has dramatically reduced flaring.
10.	Does the company report the percentage emissions rate for methane measured as methane emissions per methane production on an annual basis, and/or the percentage emissions rate for methane emissions per MBoe (i.e, per thousands of barrels of crude oil equivalent, oil & gas) on an annual basis?	Please see the response to Question No. 11 below and information available in Devon’s CDP reports for disclosure of detail on any emissions rates.



11.	With respect to measuring methane emissions, does the company describe how it measures and reports emissions, including when it uses and reports actual measurements and when it estimates emissions using engineering calculations or emission factors?	Please refer to Devon’s 2016 and 2017 Carbon Disclosure Project (CDP) reports, which may be found on the “Air” page on Devon’s Social Responsibility webpage. * The reports, beginning in the module titled “GHG Emissions Accounting, Energy and Fuel Use, and Trade,” describe Devon's method for estimating methane emissions. Where process modeling is employed, Devon used the most advanced process simulation models to estimate emissions.
12.	Does the company report the percentage or number of high-bleed controllers replaced with low-emission alternatives, or a program for their replacement?	Devon has performed high bleed pneumatic controller replacement projects in the past on its assets. Most of those assets have since been sold. Devon currently does not have a program to find and replace existing high bleed controllers, but Devon believes that its current assets do not contain a high number of those controllers because it has been using low or intermittent bleed controllers since August 2011.
13.	Does the company disclose its contributions, through multi-stakeholder processes or otherwise, to developing new technologies or advancing innovations or technical knowledge about leak detection, measurement, and repair?	Please see information available on Devon’s website, including CDP and Corporate Social Responsibility reports, for any responsive detail.
14.	Does the company disclose how it incentivizes greenhouse gas reductions at the board, management, and/or staff level through compensation structures?	Please see information available on Devon’s website, including CDP reports and Proxy Statements, for any responsive detail.

* Devon’s 2017 CDP report will be available on the webpage after CDP releases it, which Devon expects to occur on or after October 24, 2017.

The responses contained in this document are made as of the date of this document. Devon does not undertake any obligation to update the responses as a result of new information, future events or otherwise.