

W0. Introduction

W0.1

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

Husky Energy Inc. ("Husky" or the "Company") is an integrated energy company based in Calgary, Alberta and its common shares are publicly traded on the Toronto Stock Exchange under the symbol HSE. The Company operates in Canada, the United States and the Asia Pacific region. The Company's business strategy is to generate returns from a portfolio of projects and investment opportunities across two main businesses: an integrated Canada-U.S. upstream and downstream corridor ("Integrated Corridor"); and production located offshore the east coast of Canada ("Atlantic") and offshore China and Indonesia ("Asia Pacific" and with Atlantic, collectively "Offshore").

W-CH0.1a

(W-CH0.1a) Which activities in the chemical sector does your organization engage in?

Bulk organic chemicals

W-OG0.1a

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

Upstream
Midstream/Downstream

W0.2

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

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

W0.3

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

Canada
United States of America

W0.4

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

CAD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Asia Pacific Operations	Water data for this region is not currently consolidated at the corporate level. Water withdrawals and discharges at Husky-operated Asia Pacific activities (drilling and completions) are expected to be immaterial to the Company's overall water metrics.
Retail Operations	Retail operations are a mix of corporate and franchised locations. Water withdrawals and discharges at these facilities are expected to be immaterial to the Company's overall water metrics.
Rainwater, domestic use	These sources are not consistently tracked and are therefore not included for the purpose of consistency. Domestic and rainwater consumption are expected to be immaterial to the Company's overall water consumption.
Divested Facilities	Water data is not accounted for after operational control has been transferred.

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	Good quality freshwater is an integral part of Husky's onshore operations and facilities. It is used in operational processes where alternatives are not feasible or economic, and therefore considered vital. Upstream, the Company's primary use of freshwater is at its thermal projects in Saskatchewan. The primary downstream uses of freshwater are at the Lima Refinery and the Husky Lloydminster Upgrader. Freshwater dependency is expected to remain steady at the Upgrader, and increase at the Saskatchewan thermal projects in tandem with production increases. Freshwater is also important to Husky's indirect operations. The Company accounts for freshwater used by contractors conducting indirect drilling and completion operations – these sources are important to executing exploration and development. Freshwater volumes for onshore drilling and completions are expected to decrease in the near term as Husky executes its business plan.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	Recycled, produced, and brackish water is used in a variety of processes, including offshore and onshore production. The Sunrise Energy Project and the Lima Refinery are Husky's two largest users of recycled industrial water. Sunrise and the Tucker Thermal Projects are Husky's two largest users of produced water. Tucker and Husky's offshore Atlantic operations are the two largest users of brackish water. These water sources are considered vital to operations and are being utilized as the best alternative. Non-freshwater use is expected to remain consistent for future operations until it increases with the planned start-up of the West White Rose Project. Contractors conducting indirect completions operations use recycled produced water and flowback water to supplement water source needs for hydraulic fracturing, and therefore this water is important to indirect operations. These volumes are expected to decrease in the near term as Husky executes its business plan.

W1.2

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

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Husky uses its Environmental Performance Reporting System (EPRS) to organize and store water withdrawal volumes for compliance, corporate reporting and to inform water management. Water withdrawal volumes for upstream, downstream, and chemical processes are collected via SCADA interface or operator input to corporate data systems on, at minimum, a daily basis and are stored in the EPRS system on a monthly basis. Water withdrawal volumes for drilling, completion, and construction activities are tracked at the site level on a daily basis, and input to corporate data systems by site representatives.
Water withdrawals – volumes by source	76-99	The source of water is tracked for each water withdrawal recorded, at the same frequency (either daily or monthly frequency, if not more frequently). If a water source changes, methods are in place to update automated data systems with the correct water source. Where water volumes are input manually, the water source is required with each volume entry, which is tracked daily.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	100%	Produced water volumes are collected in Husky's corporate data system. Volumes are collected via SCADA interface or operator input, on at least a daily basis.
Water withdrawals quality	1-25	Water quality is measured at the water source selection stage of a project to guide water management decisions, identify regulatory requirements, and for process design. Following that, source water quality is monitored on an ongoing basis if there is a process or regulatory need, with varying frequency. Regulatory needs are typically on an annual basis.
Water discharges – total volumes	76-99	Husky uses its Environmental Performance Reporting System (EPRS) to organize and store water discharge volumes for compliance, for corporate reporting, and to inform water management. Water discharge volumes for upstream and downstream processes are collected via SCADA interface or operator input to corporate data systems on, at minimum, a daily basis and stored in EPRS on a monthly basis. Water discharge volumes for drilling, completion, and construction activities are tracked at the site level on a daily basis, and input to corporate data systems by site representatives.
Water discharges – volumes by destination	76-99	The destination of water is tracked for each water discharge recorded, at the same frequency that the discharge volume is recorded (on at least a daily or monthly basis). Where water discharge volumes are input manually, the discharge destination is required with each volume entry.
Water discharges – volumes by treatment method	100%	Husky treats water that is discharged from its facilities into regulated water bodies. Discharged treated water is tracked at the facilities on, at minimum, a daily basis and volumes are stored in EPRS on a monthly basis.
Water discharge quality – by standard effluent parameters	76-99	Several Husky facilities discharge water to regulated surface water. These facilities manage water data quality and frequency according to their regulatory requirements. Some non-regulated parameters are also measured for the purposes of treatment system operation, but are not reported externally.
Water discharge quality – temperature	76-99	Several Husky facilities discharge water to regulated surface water. These facilities manage water data quality parameter measurements, such as temperature and frequency, according to their regulatory requirements. Some non-regulated parameters are also measured for the purposes of treatment system operation but are not reported externally.
Water consumption – total volume	76-99	Water data for withdrawal and discharge volumes are tracked in Husky data systems on, at minimum, a daily basis and are stored in EPRS on a monthly basis. These are used to determine water consumption.
Water recycled/reused	76-99	Husky tracks use of recycled water at its thermal production facilities, conventional oil facilities, and in drilling and completion operations. Recycled water volumes for upstream and downstream processes are collected via SCADA interface to corporate data systems on, at minimum, a daily basis and are stored monthly in EPRS. Water recycle volumes for drilling, completion, and construction activities are tracked at the site level on a daily job basis, and input to corporate data systems by site representatives.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Husky provides Water, Sanitation, and Hygiene (WASH) services for all workers, in accordance with Occupational Health and Safety requirements in all its operating areas.

W1.2b

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

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	106235	About the same	Commissioning of the water recycling project at the Lima Refinery in March 2019 led to a decrease in fresh water withdrawals. This decrease was offset by start-up of a new thermal project in Saskatchewan and the first full year of operation at another, as well as increased saline water withdrawal due to the re-start of the SeaRose floating production, storage and offloading (FPSO) vessel in the Atlantic region and more water being required to cool marine systems. The total withdrawal is expected to remain steady or decrease in 2020, reflecting Husky's adjustments to production and throughput in response to market conditions in the first half of 2020. The total withdrawal is expected to increase in the years following 2020 with the start-up of new thermal facilities in Saskatchewan and recommencement of operations at the Superior Refinery.
Total discharges	98496	About the same	Commissioning of the water recycling project at the Lima Refinery and deep well injection in early 2019 led to a decrease in fresh water discharge. This was offset by the resumption of operations on the SeaRose FPSO (following a temporary shut-in), as well as increased water use to cool marine systems. The total discharge is expected to remain steady or decrease in 2020, reflecting Husky's adjustments to production and throughput in response to market conditions in the first half of 2020. The total discharge is expected to increase in the years following 2020 with the recommencement of operations at the Superior Refinery.
Total consumption	7739	About the same	This volume is expected to decrease in the next year as a result of the new water recycle project at the Lima Refinery, and increase in the years following 2020 with recommencement of operations at the Superior Refinery.

W-OG1.2c

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

	Volume (megaliters/year)	Comparison with previous reporting year %	Please explain
Total withdrawals - upstream	98016	About the same	An increase in withdrawals was due to the start-up of a new thermal facility in Saskatchewan and the first full year of operation at another, as well as increased saline water withdrawal at the SeaRose FPSO. This was offset by a decrease in produced water due to the decommissioning of the Pikes Peak thermal project, lower production at conventional oil facilities as well as a higher oil cut at Sunrise. Total upstream withdrawals are expected to remain steady or decrease in 2020, reflecting Husky's adjustments to production and throughput in response to market conditions in the first half of 2020. The total withdrawal is expected to increase in the few years following 2020 with the start-up of new thermal facilities in Saskatchewan.
Total discharges – upstream	94714	About the same	An increase in seawater discharge due to the resumption of operations on the SeaRose FPSO in January 2019 (following a temporary shut-in) as well as increased water use to cool marine systems was offset by a decrease in steam injection. The total discharge is expected to remain steady or decrease in 2020 reflecting Husky's adjustments to production and throughput in response to market conditions in the first half of 2020. The total discharge is expected to increase in the years following 2020 with the start-up of new thermal facilities in Saskatchewan.
Total consumption – upstream	3302	Lower	Only ~3% of withdrawn water is consumed, based on the CDP definition, therefore the percentage change in consumption is influenced more by minor changes in the withdrawal values than by operational changes related to water consumption. The total consumption is expected to remain steady or decrease in 2020 reflecting Husky's adjustments to production and throughput in response to market conditions in the first half of 2020. The total consumption is expected to increase in the years following 2020 with the start-up of new thermal facilities in Saskatchewan.
Total withdrawals - midstream/downstream	7169	Much Lower	The volume decreased primarily due to commissioning of the water recycling project at the Lima Refinery in March 2019. It is expected to decrease slightly next year due to the divestment of the Prince George Refinery, as well as the full year of operation of the Lima Refinery recycle facility. The total withdrawal is expected to increase in the years following 2020 with the recommencement of operations at the Superior Refinery.
Total discharges – midstream/downstream	3781	Much Lower	The volume decreased primarily due to commissioning of the water recycling facility at the Lima Refinery, which became operational in March 2019, as well as deep well injection. It is expected to decrease slightly next year due to the 2019 divestment of the Prince George Refinery, as well as the full year of operation of the Lima Refinery recycle project. The total discharge is expected to increase in the years following 2020 with the recommencement of operations at the Superior Refinery.
Total consumption – midstream/downstream	3388	Higher	Only ~3% of withdrawn water is consumed, therefore the percent change in consumption is influenced more by minor changes in the withdrawal values than by operational changes related to water consumption. This volume is expected to decrease in the next year as a result of the new Lima Refinery water recycling project. The total consumption is expected to increase in the years following 2020 with the recommencement of operations at the Superior Refinery.
Total withdrawals – chemicals	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total discharges – chemicals	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total consumption – chemicals	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total withdrawals – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total discharges – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total consumption – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>

W1.2d

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

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	Assessed using the WRI Aqueduct Physical Risk Quantity map. Husky defined "stressed areas" as areas with high to extremely high physical risk quantity on the WRI map. The calculation only includes freshwater withdrawals in the numerator and denominator. WRI Aqueduct released an updated model in 2019 and as such, the 2018 volume was updated to provide an accurate comparison.

W1.2h

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	25356	Lower	Husky's withdrawals from fresh surface water bodies are critical to operations and are highly regulated. In addition to meeting regulatory compliance, measurement of these volumes informs Husky's water management decisions. The volume decreased primarily due to the commissioning of the water recycling project at the Lima Refinery in March 2019.
Brackish surface water/Seawater	Relevant	18247	Much higher	Seawater withdrawals are critical to Husky's operations offshore, where produced water is limited and there is no other accessible water source. Measurement of this volume informs ongoing offshore water management. The volume increased this year due to the re-start of the SeaRose FPSO facility in January 2019 (following a temporary shut-in) as well as increased water use to cool marine systems.
Groundwater – renewable	Relevant	2982	Much lower	Husky groundwater withdrawals are critical to operations. For example, the Tucker Thermal Project sources brackish water from a deep groundwater aquifer. In addition to meeting regulatory compliance, measurement of these volumes informs Husky's water management decisions. The overall volume of groundwater withdrawal decreased with less groundwater (about 1 million m ³) being used for both downstream and upstream operations and drilling, primarily due to a planned turnaround at the Lima Refinery. Groundwater is obtained from aquifers at depths ranging from 20m to 805m, with varying water quality from fresh to saline. Due to the variation in definition of renewable versus non-renewable, all groundwater withdrawals are reported as renewable.
Groundwater – non-renewable	Relevant	0	About the same	Groundwater is obtained from aquifers at depths ranging from 20m to 805m, with varying water quality from fresh to saline. Due to the variation in definition of renewable versus non-renewable, all groundwater withdrawals are reported as renewable.
Produced/Entrained water	Relevant	58476	Lower	Produced water is inherent to the extraction of hydrocarbons, and its measurement enables regulatory compliance and informs water management. For example, produced water is important to Husky's operations at the Sunrise Energy Project, Tucker Thermal Project, and at the Wainwright Waterflood Project, all which use produced water for oil production. The decrease in produced water was due to the decommissioning of the Pikes Peak thermal project, lower production at conventional oil facilities, and higher oil cut at Sunrise.
Third party sources	Relevant	1173	Much higher	Third-party sources are important to Husky's operations, and measurement of the volume supports water management. This value represents wastewater obtained from another operator for use at the Sunrise Energy Project. An increased amount of wastewater was used at Sunrise which offset the decreased fresh water and produced water use at this facility.

W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	969	Much lower	Discharge to fresh surface water is highly regulated. The volume decreased primarily due to commissioning of the water recycling project at the Lima Refinery in March 2019.
Brackish surface water/seawater	Relevant	18210	Much higher	Some volumes of discharged seawater are regulated for Husky's offshore Atlantic operations. Volumes are tracked for regulatory compliance and to inform water management decisions. There was an increase in the amount of seawater withdrawn and discharged at Husky's offshore Atlantic operations, due to the SeaRose FPSO re-starting in January 2019 following a temporary shut-in, as well as increased water use to cool marine systems.
Groundwater	Relevant	79316	About the same	Measurement of water volumes disposed in deep groundwater formations are critical to many of Husky's upstream and downstream projects, including the Saskatchewan thermal projects, Sunrise Energy Project, the Tucker Thermal Project and the Lima Refinery. Volumes are tracked for regulatory compliance and to inform water management, including water reuse opportunities. There was a decrease in steam injection in 2019 which was offset by an increase in deep well disposal.
Third-party destinations	Not relevant	<Not Applicable>	<Not Applicable>	Less than 1% of Husky's upstream operational wastewater is sent to a third party for deep well disposal. This volume is not accounted for and is offset by wastewater Husky receives from other operators, which are included in overall discharge volumes.

W-CH1.3

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?

Yes

W-CH1.3a

(W-CH1.3a) For your top five products by production weight/volume, provide the following water intensity information associated with your activities in the chemical sector.

Product type

Bulk organic chemicals

Product name

Fuel Ethanol

Water intensity value (m3)

3.5

Numerator: water aspect

Freshwater withdrawals

Denominator

m3

Comparison with previous reporting year

About the same

Please explain

The intensity of water withdrawal to fuel ethanol produced is relatively consistent year to year and remained about the same due to consistent production. The water intensity value is used to confirm water process efficiency. The intensity is represented as m³ water withdrawn / m³ fuel ethanol produced. Water intensity for ethanol production is expected to remain relatively consistent throughout the next few years.

W-OG1.3

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

Yes

W-OG1.3a

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

Business division

Upstream

Water intensity value (m3)

1.2

Numerator: water aspect

Freshwater withdrawals

Denominator

Other, please specify (m³ of oil equivalent production)

Comparison with previous reporting year

Higher

Please explain

Husky uses fresh water intensity metrics on a project basis to assess fresh water efficiency and to inform water management. This is also tracked and assessed annually through the Husky Operational Integrity Management System (HOIMS) Environmental Reporting and Action Planning initiative and through Husky's Water Management Critical Competency Network. The intensity is represented as m³ water withdrawn / m³ oil equivalent production. The intensity increased this year due to a new thermal project starting up in Saskatchewan. The total intensity is expected to remain steady or decrease in 2020, reflecting Husky's adjustments to production and throughput in response to market conditions in the first half of 2020. The intensity is expected to increase in the years following 2020 with the start-up of new thermal facilities in Saskatchewan. Husky is assessing technologies that could improve freshwater efficiency in future thermal operations. As an example, a pilot program at three thermal projects in Saskatchewan that uses artificial intelligence to enhance steam utilization reduced steam requirements by about 10%, while improving production by approximately 2%. Based on the pilot results, the program is being rolled out at other Saskatchewan thermal projects.

Business division

Midstream/Downstream

Water intensity value (m3)

0.5

Numerator: water aspect

Freshwater withdrawals

Denominator

Other, please specify (m³ of crude oil throughput)

Comparison with previous reporting year

Much lower

Please explain

Husky uses fresh water intensity metrics on a facility basis to assess fresh water efficiency. This value is typically steady at Husky's refineries and upgrader, except when major process changes are made that impact water use. The metric is assessed annually through the Water Management Critical Competency Network. The intensity is represented as m³ water withdrawn / m³ oil throughput. The freshwater intensity decreased significantly due to commissioning of the water recycling project at the Lima Refinery in March 2019, and this intensity is expected to decrease in 2020 due to further efficiency improvements. The intensity is expected to increase slightly when the Superior Refinery resumes operations in 2020.

W1.4

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

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

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

Row 1

% of suppliers by number

1-25

% of total procurement spend

1-25

Rationale for this coverage

Husky uses a supplier pre-qualification and qualification questionnaire that requires all new suppliers to submit their company sustainability information for Husky's review. This questionnaire is a requirement for new suppliers. In the questionnaire, suppliers are asked whether they disclose their water-related information specifically to CDP.

Impact of the engagement and measures of success

In the questionnaire, suppliers are asked whether they disclose their water-related information specifically to CDP. They are also asked if they comply with all applicable environmental laws and regulations, which include water-related regulations within their jurisdiction. Suppliers become aware that Husky is interested in their water management disclosure related to their operations. Husky uses the information to understand the Environmental, Social and Governance (ESG) maturity of potential suppliers. Husky measures the success of this initiative by measuring the number of new suppliers completing the questionnaire.

Comment

100% of new suppliers onboarded in 2019. New supplier spend and suppliers onboarded in 2019 represent 5% of the total procurement spend in 2019.

W1.4b

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

Type of engagement

Onboarding & compliance

Details of engagement

Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

1-25

% of total procurement spend

1-25

Rationale for the coverage of your engagement

Husky focuses on supply chain aspects that have the most immediate potential to impact water, such as hauling services that convey fluids to and from Husky facilities.

Impact of the engagement and measures of success

Impact: Suppliers become aware that Husky has environmental stewardship requirements. Measure of success: Reduced incidents impacting water that are related to hauling.

Comment

W1.4c

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

Husky undertakes several water related initiatives endorsed through its Corporate Water Standard, such as contributing to joint industry value chain water management initiatives and water research. For example, at the Sunrise Energy Project, Husky collaborates with nearby oil sands operators on water recycling processes. Specifically, Husky uses process affected water (PAW) from one operator's tailings ponds, and basal McMurray groundwater that is in contact with bitumen mined by the operation of an adjacent oil sands mining project. This initiative demonstrates excellent collaboration with nearby operators. The agreements that have been put in place are mutually beneficial to the operators involved. This project won the Husky CEO Award of Excellence for Corporate Responsibility. In 2019, Husky began the process of joining the Canadian Oil Sands Innovation Alliance (COSIA) to further engage with its industry partners and became an official participant in 2020. Husky prioritizes water stewardship engagement with value chain partners where there are risks related to exposure to regulatory changes, water quality and water quantity issues. Success of these engagements is measured by meeting regulatory obligations, disposal limitations and stakeholder commitments.

W2. Business impacts

W2.1

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

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

Canada	Other, please specify (Maumee River)
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Type of impact driver & Primary impact driver

Physical	Pollution incident
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Primary impact

Increased compliance costs

Description of impact

In 2019, the Lima Refinery experienced 30 violations of its water discharge permit and was fined \$19,950. These violations have been resolved with the environmental regulator and the refinery remains compliant with its water discharge permit. The Lima Refinery experienced two petroleum releases to surface water in 2019 resulting in a notice of violation and a \$3,325 fine. These violations have been resolved with the environmental regulator.

Primary response

Comply with local regulatory requirements

Total financial impact

23275

Description of response

For the water discharge permit violations, the Lima Refinery has committed to prepare an environmental compliance tracking system to help ensure compliance with regulatory obligations. Following the two petroleum releases, the Lima Refinery is currently evaluating options for improvement projects. The refinery has already implemented short-term mitigation measures and is working on a longer-term option to prevent future incidents of this nature.

W2.2

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

Yes, fines

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

3

Total value of fines

3820000

% of total facilities/operations associated

0.05

Number of fines compared to previous reporting year

Much higher

Comment

Background for the % metric: Based on the Corporate Responsibility definition, there are 2,171 facilities across the Company, ranging from single well batteries to large complex refineries.

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Fine

Financial impact

3820000

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
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Type of incident

Spillage, leakage or discharge of potential water pollutant

Description of penalty, incident, regulatory violation, significance, and resolution

Husky was issued fines totaling \$3.82 million CAD relating to the 2016 oil spill in Saskatchewan. On July 21, 2016 a leak was discovered on a pipeline crossing the North Saskatchewan River. The pipeline was isolated at the river crossing and spill response crews were dispatched. Approximately 225 cubic metres (225,000 litres) of crude blended with condensate were released, with about 60% of the volume contained on land. The cause was determined to be ground movement over time. More than one million hours were worked on the cleanup response in 2016, involving about 2,600 personnel. At peak, more than 900 people were working simultaneously on the response. Husky has used the lessons learned from this incident to improve its pipeline operations. These improvements include an updated leak response protocol, regular geotechnical reviews of pipelines and fibre optic sensing technology installed on all new large diameter and higher consequence projects.

W3. Procedures

W-CH3.1

(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on water ecosystems or human health?

Potential water pollutants associated with Husky's ethanol plants are identified through processes, standards, regulations, and monitoring programs. Chemicals on site are identified and labelled in accordance with the Workplace Hazardous Materials Information System (WHMIS) and Transportation of Dangerous Goods (TDG) requirements, and Safety Data Sheets are available on site to advise of response actions. Husky participates in the Government of Canada's Chemicals Management Plan, which provides an inventory of chemicals used in operations.

W-CH3.1a

(W-CH3.1a) Describe how your organization minimizes adverse impacts of potential water pollutants on water ecosystems or human health. Report up to ten potential pollutants associated with your activities in the chemical sector.

Potential water pollutant	Value chain stage	Description of water pollutant and potential impacts	Management procedures	Please explain
Nitrogen	Direct operations	Lloydminster Ethanol Plant: Nitrogen and phosphorous discharged in the water from the plant are considered to be valuable nutrients for agricultural purposes. This water is spread as fertilizer on the land adjacent to the plant. There is a potential detriment to soil quality if excessive concentrations are present. Minnedosa Ethanol Plant: No potential impacts	Other, please specify (Monitoring)	Soil quality monitoring
Phosphorus	Direct operations	Lloydminster Ethanol Plant: Nitrogen and phosphorous discharged in the water from the plant are considered to be valuable nutrients for agricultural purposes. This water is spread as fertilizer on the land adjacent to the plant. There is a potential detriment to soil quality if excessive concentrations are present. Minnedosa Ethanol Plant: No potential impacts	Other, please specify (Monitoring)	Soil quality monitoring

W-OG3.1

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

Potential water pollutants associated with Husky's exploration, development, production, transportation, upgrading, and refining (hydrocarbons, produced water, drilling fluids, completion fluids) are identified through processes, standards, regulations, and monitoring programs. Chemicals on site are identified and labelled in accordance with the Workplace Hazardous Materials Information System (WHMIS) and Transportation of Dangerous Goods (TDG) requirements, and Safety Data Sheets are available on site to advise response actions in case of any incidents. Husky participates in the Government of Canada's Chemicals Management Plan, which provides an inventory of chemicals used in operations. Husky is also required to identify and report hydraulic fracturing chemicals to regulatory databases. Husky conducts groundwater monitoring and sampling programs at facilities across its operations and value chain, including thermal oil production facilities, gas plants, refineries, pipeline terminals, and the Lloydminster Upgrader. The major chemicals assessed in these programs are similar across operations (hydrocarbons, salts, metals), with some local differences (for example, naphthenic acids are monitored at the Sunrise Energy Project and Tucker Thermal Project, while these are not contaminants of concern at the refineries). Surface or shallow groundwater may be impacted by releases of these chemicals; potential ecosystem and human health impacts depend on the receptors present and risks are assessed in greater detail in the event of a release. Most chemicals have regulatory guidelines for concentrations in surface water and groundwater based on toxicological studies; monitoring results are assessed in the context of these guidelines.

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

Potential water pollutant	Business division	Description of water pollutant and potential impacts	Management procedures	Please explain
Hydrocarbons	Upstream Midstream/Downstream	Description: Petroleum hydrocarbons ranging from C1 to C60+. Potential Impact: Petroleum hydrocarbons are handled at all of Husky's upstream and downstream facilities. Accidental release of hydrocarbons into surface or groundwater during handling could result in dissolved or non-aqueous phase hydrocarbons in water. These have the potential to negatively impact aquatic species and/or human health, if the chemical is present at concentrations above regulated guideline values, and if receptors are present (aquatic species, human interaction with the waterbody, drinking water intakes, etc.). The magnitude of these impacts can be minor and long term at low concentrations, to major and immediate at high concentrations. Description: Metals, trace elements and salts in hydrocarbons. Potential Impact: Dissolved metals, trace elements and salts transferred from hydrocarbons to water during hydrocarbon extraction and/or processing have the potential to negatively impact aquatic species and/or human health if present at concentrations above guideline values.	Measures to prevent spillage, leaching and leakages Emergency preparedness Other, please specify (See explanation)	Management procedures include secondary containment of storage vessels to prevent releases to ecosystems; operational procedures to ensure the integrity of hydrocarbon handling and storage equipment; spill response procedures, reporting, and preparedness to prevent or mitigate impacts to water bodies; regulated and unregulated environmental monitoring programs at facilities to detect and manage impacts; the Husky environmental auditing program; standard operating procedures developed under the Husky Operational Integrity Management System (HOIMS); well servicing standard operating procedures, and the job/task safety permitting process. Many of these initiatives are endorsed under the Husky Operational Integrity Management System (HOIMS). Specifically, HOIMS Element 5 outlines the policies, procedures and standards around responsible operations to ensure consistent operational integrity and stringent environmental performance, including water-related issues. The effectiveness of these procedures is measured and evaluated through the HOIMS Environmental Reporting and Action Planning Process, and the HuskySafe incident reporting and tracking system. HuskySafe provides data that can be compared to pre-set goals and targets, allowing Husky to evaluate its performance.
Other, please specify (Produced Water)	Upstream	Description: Produced water contains high levels of salts, metals and trace elements. Potential Impact: Water with levels of salts exceeding regulated guidelines can negatively impact vegetation, with impacts ranging from minor to major based on the concentration of salts present. Dissolved metals and trace elements in produced water have the potential to negatively impact aquatic species and/or human health, if present at concentrations above guideline values, with impacts ranging from minor to major based on the concentration of dissolved metals and trace elements present. Produced water is mostly handled by upstream operations, where it is produced with hydrocarbons, and then separated and disposed of before refining or upgrading. There is a risk of release during handling of the produced water in upstream operations.	Measures to prevent spillage, leaching and leakages Emergency preparedness Other, please specify (See explanation)	Management procedures include secondary containment of storage vessels to prevent releases to ecosystems; operational procedures to ensure the integrity of produced water handling and storage equipment; spill response procedures, reporting, and preparedness to prevent or mitigate impacts to water bodies; regulated and unregulated environmental monitoring programs at facilities to detect and manage impacts; the Husky environmental auditing program; standard operating procedures developed under the Husky Operational Integrity Management System (HOIMS); well servicing standard operating procedures, and the job/task safety permitting program. Many of these initiatives are endorsed under the Husky Operational Integrity Management System (HOIMS). Specifically, HOIMS Element 5 outlines the policies, procedures and standards around responsible operations to ensure consistent operational integrity and stringent environmental performance, including water-related issues. Impacts are measured and evaluated through the HOIMS Environmental Reporting and Action Planning Process, and the HuskySafe incident reporting and tracking system. HuskySafe provides data that can be compared to pre-set goals and targets, allowing Husky to evaluate its performance.
Chemicals	Upstream Midstream/Downstream	Description: Numerous chemicals are used in the exploration (upstream), extraction (upstream), transportation (upstream and downstream), and processing (downstream) of hydrocarbons. These include chemicals used in upstream hydraulic fracturing (e.g. biocides, corrosion inhibitors, or friction reducers) that are at risk of being released to natural water bodies during onsite handling and transportation. An example of a chemical present at upstream and downstream operations is glycol, which could be a risk if released in an uncontrolled manner to local water bodies. An example of a chemical that may be present at upstream, midstream, and downstream facilities are Perfluorooctane sulfonate (PFOS) and Perfluorooctanoic acid (PFOA) compounds which are at risk of contaminating ground water when used for fire suppression. Potential Impact: Accidental release of chemicals to surface or groundwater during handling in upstream and downstream operations could result in dissolved or non-aqueous phase chemicals in water. These have the potential to negatively impact aquatic species and/or human health, if the chemical is present at concentrations above guideline values, and if receptors are present (aquatic species, human interaction with the waterbody, etc.). Magnitude of impact will vary with the concentration of the chemical released and may vary from minor and long term to major and immediate.	Measures to prevent spillage, leaching and leakages Emergency preparedness Other, please specify (See explanation)	Management procedures include secondary containment of storage vessels to prevent releases to ecosystems; operational procedures to ensure the integrity of chemical handling and storage equipment; spill response procedures, reporting, and preparedness to prevent or mitigate impacts to water bodies; regulated and unregulated environmental monitoring programs at facilities to detect and manage impacts; the Husky environmental auditing program; standard operating procedures developed under the Husky Operational Integrity Management System (HOIMS); well servicing standard operating procedures, and the job/task safety permitting program. Many of these initiatives are endorsed under the Husky Operational Integrity Management System (HOIMS). Specifically, HOIMS Element 5 outlines the policies, procedures and standards around responsible operations to ensure consistent operational integrity and stringent environmental performance, including water-related issues. Impacts are measured and evaluated through the HOIMS Environmental Reporting and Action Planning Process, and the HuskySafe incident reporting and tracking system. HuskySafe provides data that can be compared to pre-set goals and targets, allowing Husky to evaluate its performance.

W3.3

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

Yes, water-related risks are assessed

W3.3a

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

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Enterprise Risk Management
International methodologies
Databases

Tools and methods used

Regional government databases

Comment

Husky conducts an annual preliminary assessment of water-related risks for all of its operations. Material water-related risks are identified in accordance with the Company's Corporate Water Standard and Water Risk Assessment Procedure. Facilities deemed to be potentially at higher risk are prioritized for a more detailed water risk assessment. The Company's Corporate Risk Matrix includes environmental, reputational, financial, legal, regulatory, and health and safety aspects.

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Not defined

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

Comment

Overall this is not currently an issue or a priority for Husky. However, Husky does assess supply chain water risks for specific operations, where warranted. As an example, Husky relies on third-party disposal facilities for hydraulic fracturing operations. These facilities can have capacity issues in areas of hydraulic fracturing. Husky considers this in assessing options to mitigate the cost of this risk. Also, refer back to previous supply chain comments in Section 1.4.

Other stages of the value chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Not defined

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Other

Tools and methods used

Internal company methods

Comment

Water risk assessments for other operators within our industry are assessed as they relate to touchpoints with Husky's operations. For example, Husky relies on agreements with neighbouring producers for water supply for the Sunrise Energy Project. Water risks for these operators are assessed as part of the Sunrise water risk assessment process.

W3.3b

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

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	These aspects are critical for many upstream and downstream operations and are subject to regulatory scrutiny in Husky's operating areas and are considered in risk assessments. Husky utilizes internal company knowledge, published literature, government databases, and WRI Aqueduct data. Facility locations are assessed against the water risk database designation of water availability.
Water quality at a basin/catchment level	Relevant, always included	These aspects are important for many upstream and downstream operations and are subject to regulatory scrutiny in Husky's operating areas and are considered in risk assessments. Husky utilizes internal company knowledge, published literature, government databases, and regulatory permits. As an example, detailed historical water quality data has been collected in cases where risks depend on these factors. Water quality is important with respect to technical feasibility of water source, for example, brackish groundwater may have high availability in Saskatchewan in the vicinity of Husky's thermal operations, but is not a feasible source for steam generation for these smaller facilities (5,000 and 10,000 bpd). Water quality in surface water bodies influences conditions of water discharge permits such as at the Lima Refinery, where selenium and phosphorous are regulated parameters.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	Stakeholder values and concerns (and conflicts) are included in risk assessments as stakeholder concerns can impact Husky's social license to operate. For example, for a North Saskatchewan River water risk assessment, a stakeholder matrix was prepared as a tool to track stakeholders with interest in Husky's water management performance, and to evaluate if Husky's existing strategies and communication adequately address their interests.
Implications of water on your key commodities/raw materials	Relevant, sometimes included	Husky's water-related risk assessments consider the implications of water on key commodities and raw materials. A significant raw material to be impacted by water quality and availability is steam, which is a key input in Husky's thermal (SAGD) oil production projects, and for utility use at Husky's downstream facilities such as refineries. Availability of water for steam is assessed using tools such as WRI Aqueduct. Contextual issues such as the impact of water sourcing for steam and blowdown disposal to local communities are addressed through adherence to local regulations, open houses, and the implementation of recycle and reuse systems to reduce the amount of water withdrawn from local sources. For example, Husky's Tucker thermal facility sources water from a deep, saline aquifer for steam. Most of the water is recycled for reuse as steam, and what must be disposed is injected into the same deep, saline aquifer. This approach protects the surrounding wetland from impact from water sourcing for steam. The Company also manages water aspects of third-party services at its sites (for example, on drilling and completions operations). An assessment of potential supply chain risk is undertaken annually, and elements of the supply chain thought to be potentially at elevated risk are highlighted for further assessment.
Water-related regulatory frameworks	Relevant, always included	Regulatory aspects are one of the fundamental criteria evaluated in risk assessments because Husky must comply with regulations to operate. For example, the Water Conservation Policy and associated guidelines significantly affect freshwater licensing in Alberta. Freshwater licensing is a requirement for the water used in steam generation at Saskatchewan thermal facilities. The potential for regulatory changes at a local, provincial or federal level are included in risk assessments based on internal Company methods for monitoring regulatory changes, which includes a regulatory monitoring committee and internal communications protocols. Husky engages with regulators on an ongoing basis (both directly and through industry associations such as the Canadian Association of Petroleum Producers) to help anticipate these potential changes. Where regulatory change cannot be clearly anticipated (e.g. in the long term), different scenarios are evaluated for their potential impact on operations.
Status of ecosystems and habitats	Relevant, always included	Biophysical context for operations is included in risk assessments (for example, impacts to riparian environments related to water use) as they can impact the timing, location, and methods of operation and development of projects. Federal and regional government databases are utilized, in addition to international databases including WRI Aqueduct. The Species at Risk Public Registry is used to identify species sensitivity near facilities using or discharging water. For example, trumpeter swan nesting areas can be present near hydraulic fracturing operations in Northern Alberta.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Providing access to WASH services for all employees is a minimum standard for all operations. Husky has a Water Supply Integrity Program designed to ensure water supply for staff is of a suitable quality.
Other contextual issues, please specify	Please select	

W3.3c

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

	Relevance & inclusion	Please explain
Customers	Relevant, always included	Husky's reputational risk with respect to water is considered. Customers are informed of water-related risks through Husky's Environmental, Social and Governance (ESG) report.
Employees	Relevant, always included	Employees provide local knowledge and operational expertise when conducting risk assessments. Employees are engaged through risk assessment workshops, invitations to participate in a formal interdisciplinary network for knowledge exchange related to water (The Water Management Critical Competency Network), intranet communication of risk assessment results, and a social web platform open to all employees where water risks are discussed.
Investors	Relevant, always included	The perspectives of investors are considered when conducting risk assessments. Husky monitors external standards of disclosure, including the CDP Water response, to ensure its risk assessment and management process is aligned with best practices and emerging investor expectations. Husky receives investor inquiries about how water risks are identified and managed. Husky responds to these inquiries, which inform its water risk assessment and disclosure.
Local communities	Relevant, always included	Local communities may provide important insights into water risk (e.g. through data or observations about water availability), and as key stakeholders may also directly influence the Company's water risk. As an example, local communities provide feedback to Husky's Saskatchewan thermal projects through open houses.
NGOs	Relevant, always included	Non-Governmental Organizations (NGOs) may influence the Company's water risk. This includes local groups (such as watershed planning and advisory councils) and provincial or national groups, any of which may influence policy or regulation. For example, Husky engages with the North Saskatchewan Watershed Alliance in Alberta. This group sets watershed management plans for the watershed upstream of Husky's Saskatchewan thermal operations, where access to a reliable source water is vital.
Other water users at a basin/catchment level	Relevant, always included	Other water users may be influencers of water risk, particularly in areas of high competition for a limited resource, or where Husky's water use is perceived to be in conflict with other water user(s). For example, Husky engages and shares water data with local operators in the area of the Sunrise Energy Project through the COSIA Aquifer Working Group.
Regulators	Relevant, always included	Regulators may be influencers of water risk, particularly through regulating access to source and disposal options. The potential for regulatory changes at a local, provincial or federal level are included in risk assessments and are based on internal Company methods for monitoring regulatory changes, which includes a regulatory monitoring committee and internal communications protocols.
River basin management authorities	Relevant, always included	River basin management authorities may provide important insights into water risk (e.g. through data or observations about water availability), and as a key stakeholder may also directly influence the Company's water risk. For example, Husky engages with the North Saskatchewan Watershed Alliance in Alberta on a monthly basis through participation in the board. This group sets watershed management plans for the watershed upstream of Husky's Saskatchewan thermal operations, where reliable source water is vital.
Statutory special interest groups at a local level	Relevant, always included	Local special interest groups may provide important insights into water risk (e.g. through data or observations about water availability), and as key stakeholders may also directly influence the Company's water risk. As an example, for the Sunrise Energy Project, Husky made the commitment to local First Nations stakeholders to avoid the use of freshwater for steam production for all phases of the project unless Husky demonstrates a net environmental benefit in specific circumstances.
Suppliers	Relevant, sometimes included	Husky understands that suppliers may be vulnerable to water risk. To date, this has not resulted in detrimental effects and based on initial review has not been evaluated in detail as a substantive risk. However, this has been considered for specific operations. For example, Husky relies on third-party disposal facilities for hydraulic fracturing operations. These facilities can have capacity issues in areas of hydraulic fracturing, and Husky considers this in assessing options to mitigate the cost of this risk. Additionally, Husky manages water aspects of third-party services at its sites (for example, on drilling and completions operations).
Water utilities at a local level	Relevant, always included	Where facilities are located in developed settlements, Husky considers local water utilities in water risk assessments. As an example, Husky collaborates and has an ongoing relationship (via meetings and contracts) with the City of Lloydminster on water delivery to the Husky Lloydminster Upgrader.
Other stakeholder, please specify	Please select	

W3.3d

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

Husky conducts an annual preliminary assessment of water-related risks for all of its operations. Material water-related risks are identified in accordance with the Company's Corporate Water Standard and Water Risk Assessment Procedure. Facilities deemed to be potentially at higher risk are prioritized for a more detailed water risk assessment within the year. The Company's Corporate Risk Matrix includes environmental, reputational, financial, legal, regulatory, and health and safety aspects. Tools used include government databases (e.g. Alberta water well database for assessing impact to domestic users), international methods, and databases (e.g. WRI Aqueduct for assessing water stress associated with water sources), and internal processes (Corporate Water Standard). Outcomes of the risk assessment are used to develop the Water Management Plan for a facility/operation, which identifies specific risk mitigation actions with associated timelines and stewards. Where water risk assessments are conducted for potential developments, the results of the risk assessment inform water management decisions for the project (such as water sourcing or disposal).

W4. Risks and opportunities

W4.1

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

Yes, both in direct operations and the rest of our value chain

W4.1a

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

Husky's enterprise risk management program supports decision-making via comprehensive and systematic identification and assessment of risks that could materially impact the Company's results. Through this framework, the Company builds risk management and mitigation into strategic planning and operational processes for its business units through the adoption of standards and best practices. Husky has developed an enterprise risk matrix to identify risks to its people, the environment, its assets and its reputation, and to systematically mitigate these risks to an acceptable level. Husky defines substantive change as a financial impact to direct operations of greater than \$10 million dollars. The corporate risk register is revisited on at least an annual basis, while the matrix is evaluated every three years. Sourcing water for operations at the Sunrise Energy Project is an example of an identified risk incorporated into the risk register. Sunrise is reliant on two third-party access agreements to source water for operations. With the local competition for water sources, unplanned changes in the access agreements could impact water sourcing and therefore oil production. If the two operator agreements for water sourcing were compromised at the same time, production would stop. Based on 2019 data, lost production on its own would be a loss of approximately \$13 million per week gross revenue.

W4.1b

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

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	14	Less than 1%	Based on the Husky Corporate Responsibility definition for a facility, Husky has approximately 2,171 facilities in Canada and the United States. Facilities may be as small as a single well battery, or as large as a refinery or an offshore production vessel.

W4.1c

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

Country/Area & River basin

Canada	Other, please specify (Atlantic Ocean)
--------	----------------------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

1-25

% company's total global revenue that could be affected

1-10

Comment

Husky has approximately 2,171 facilities in Canada and the United States. Facilities may be as small as a single well battery, or as large as a refinery or offshore production vessel. Calculations are based on gross revenue.

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Number of facilities exposed to water risk

11

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

1-25

% company's total global revenue that could be affected

1-10

Comment

Husky has approximately 2,171 facilities in Canada and the United States. Facilities may be as small as a single well battery, or as large as a refinery or offshore

production vessel. Calculations are based on gross revenue.

Country/Area & River basin

Canada	Other, please specify (Athabasca River)
--------	-----------------------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

1-25

% company's total global revenue that could be affected

1-10

Comment

Husky has approximately 2,171 facilities in Canada and the United States. Facilities may be as small as a single well battery, or as large as a refinery or offshore production vessel. Calculations are based on gross revenue.

Country/Area & River basin

United States of America	Other, please specify (Maumee River)
--------------------------	--------------------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

26-50

% company's total global revenue that could be affected

31-40

Comment

Husky has approximately 2,171 facilities in Canada and the United States. Facilities may be as small as a single well battery, or as large as a refinery or offshore production vessel. Calculations are based on gross revenue.

Country/Area & River basin

United States of America	Other, please specify (Lake Superior)
--------------------------	---------------------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

Less than 1%

% company's total global revenue that could be affected

Less than 1%

Comment

Husky has approximately 2,171 facilities in Canada and the United States. Facilities may be as small as a single well battery, or as large as a refinery or offshore production vessel. Calculations are based on gross revenue. Refinery was under reconstruction in 2019.

Country/Area & River basin

Canada	Other, please specify (Assiniboine River)
--------	-------------------------------------------

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

1-25

% company's total global revenue that could be affected

1-10

Comment

Husky has approximately 2,171 facilities in Canada and the United States. Facilities may be as small as a single well battery, or as large as a refinery or offshore production vessel. Calculations are based on gross revenue.

W4.2

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

Country/Area & River basin

Canada	Other, please specify (Atlantic Ocean)
--------	----------------------------------------

Type of risk & Primary risk driver

Physical	Other, please specify (Ice and Icebergs)
----------	------------------------------------------

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Husky operates in some of the harshest environments in the world, including the offshore Atlantic region at the White Rose field. Climate change is expected to increase severe weather conditions, including winds, flooding, and variable temperatures that are contributing to the melting of northern ice and increased iceberg activity. The Company has a number of policies to protect people, equipment, and the environment in the event of extreme weather conditions and adverse ice conditions. Risk Effects: Icebergs and pack ice off the coast of Newfoundland and Labrador may affect Husky's offshore facilities, necessitating temporary operational shut downs, or potentially causing damage to equipment, spills, asset damage and human impacts.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

63792720

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

The potential consequences of a severe weather or ice related event to Husky's offshore operations include possible production disruptions, spills, asset damage and human impacts. While this is mitigated through the methods described in this table, the potential production disruption from a two-month period of disconnection due to ice for the SeaRose Floating Production, Storage and Offloading (FPSO) vessel could result in \$63,792,720 in reduced revenues. This estimate is based on 2019 average daily production numbers of 12,300 boe (net equity share) and 2019 average gross revenue per barrel of \$86.44, as published in Husky's 2019 Annual Report. (12,300 boe x 60 days x \$86.44/boe = \$63,792,720).

Primary response to risk

Other, please specify (Annual monitoring and management)

Description of response

Husky's Atlantic region business unit has a robust ice management program that uses a range of resources, including advanced detection, monitoring and management. Ice monitoring is facilitated through fixed-wing flight reconnaissance, satellite imagery processing and offshore supply vessel reconnaissance. Monitoring data is processed in georeferenced format and ice drift is predicted using established software developed by the National Research Council and the Canadian Ice Service. Supply vessels alter the trajectory of icebergs through various methods as needed. During ice season, Husky owned, operated and/or contracted offshore facilities are assigned ice observers, providing 24-hour coverage. Regular ice surveillance flights usually commence in February and continue throughout iceberg season. Husky maintains a series of ad-hoc relationships with contractors, providing for the quick mobilization of additional resources as required.

Cost of response

4700000

Explanation of cost of response

The cost of the Company's ice monitoring and management activities was approximately \$4.7 million in 2019. This is a variable annual cost.

Country/Area & River basin

United States of America	Other, please specify (St. Lawrence)
--------------------------	--------------------------------------

Type of risk & Primary risk driver

Regulatory	Regulatory uncertainty
------------	------------------------

Primary potential impact

Increased operating costs

Company-specific description

The impacts of polyfluoroalkyl substances (PFAS) from aqueous film forming firefighting foam (AFFF) during a fire response in 2018 have continuing effects, with the potential to increase depending on how stringently PFAS compounds are regulated. Husky's Superior Refinery (SRC) has been treating runoff from the plant since 2018 and continued throughout 2019. Wisconsin's Department of Natural Resources is requiring investigation and eventual remediation of PFAS compounds despite lack of clear regulatory standards, which may be developed over the next 1 – 3 years. Future compliance costs may fluctuate given the regulatory uncertainty.

Timeframe

1-3 years

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

10000

Potential financial impact figure - maximum (currency)

10000000

Explanation of financial impact

Low end – ongoing monitoring High end – Continued treatment of runoff at facility.

Primary response to risk

Engage with regulators/policymakers

Description of response

Husky continues to collect water samples, assess surface water runoff at the facility and is proactively engaging in a site investigation with regulators to find the best solution for addressing environmental concerns while managing costs.

Cost of response

100000

Explanation of cost of response

Costs include transportation, external legal counsel and access to data sources.

Country/Area & River basin

Canada	Other, please specify (Multiple river basins in the United States and Canada)
--------	-------------------------------------------------------------------------------

Type of risk & Primary risk driver

Regulatory	Tighter regulatory standards
------------	------------------------------

Primary potential impact

Increased compliance costs

Company-specific description

Aqueous film forming foam (AFFF) has and likely will continue to be used to control fires and provide vapor suppression during incidents. Regulation of PFAS compounds in various jurisdictions are currently under development. Historical releases of PFAS-containing AFFF or future uses of large amounts of AFFF containing PFAS compounds could be subject to those regulations.

Timeframe

4-6 years

Magnitude of potential impact

High

Likelihood

Likely

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)

100000

Potential financial impact figure - maximum (currency)

10000000

Explanation of financial impact

Costs related to investigation, remediation, and potential regulatory or legal costs.

Primary response to risk

Greater due diligence

Description of response

Implementing mitigation measures to ensure any potential impacted sediments or fluids are retained on site and reducing risk by replacing stock with lower-risk AFFF products.

Cost of response

5000000

Explanation of cost of response

The cost of response is based on the cost of replacing stock with new, low PFAS AFFF, disposal of the stock, and incidental costs.

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Type of risk & Primary risk driver

Regulatory	Mandatory water efficiency, conservation, recycling or process standards
------------	--------------------------------------------------------------------------

Primary potential impact

Increased operating costs

Company-specific description

Potential for increased water recycling requirement in Saskatchewan. Processing facilities at Husky's Saskatchewan thermal plants would need significant capital upgrades to allow for increased water recycling.

Timeframe

Unknown

Magnitude of potential impact

High

Likelihood

Unknown

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

330000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Costs would be variable, and relative to the amount of recycling that is mandated. A single new facility requiring minor (<5%) water recycling could represent a one-time financial impact of \$500K plus increases in annual operating costs. Retrofitting all existing facilities for significant amounts of recycling could represent a financial impact >\$330 million (>\$30 million per plant in capital costs; operating costs would be additional to this).

Primary response to risk

Adopt water efficiency, water reuse, recycling and conservation practices

Description of response

Husky is increasing water efficiency at its new Saskatchewan thermal facilities through implementation of an acidification process that improves boiler blowdown recycle. The Company is also preparing for possible changes to regulations by (1) engaging with regulators to anticipate planned changes; (2) evaluating water risk at the facility level for all heavy oil operations; (3) characterizing produced water variability and research of water recycling technology.

Cost of response

1700000

Explanation of cost of response

The cost for implementing the acid injection process at each new facility is estimated at \$1.7 million capital cost at each plant.

Country/Area & River basin

Canada	Other, please specify (Athabasca River)
--------	-----------------------------------------

Type of risk & Primary risk driver

Physical	Increased water scarcity
----------	--------------------------

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Husky is reliant on third-party access agreements to source water for the Sunrise Energy Project. With the local competition for water sources, unplanned changes in the access agreements could impact water sourcing and therefore oil production.

Timeframe

4-6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

Financial impacts exceeding \$10 million are considered significant under Husky's corporate risk matrix. If Husky's two operator agreements for water sourcing were compromised at the same time, production would stop. Based on 2019 data, lost production on its own would be a loss of approximately \$13 million per week gross revenue. These costs would be incurred until at least one agreement issue was resolved or an alternate water source was found.

Primary response to risk

Engage with suppliers

Description of response

In 2019, Husky continued to engage with industry peers on water management collaboration for mutual benefit to mitigate future water sourcing risk.

Cost of response

100000

Explanation of cost of response

Estimated cost of updates to Water Management Plan for the facility; includes technical assessment and identification of water source mitigations.

Country/Area & River basin

Canada	Other, please specify (Multiple across Alberta)
--------	-------------------------------------------------

Type of risk & Primary risk driver

Physical	Ecosystem vulnerability
----------	-------------------------

Primary potential impact

Fines, penalties or enforcement orders

Company-specific description

The Government of Alberta has a stream crossing directive to improve fish passage in priority watersheds. If Husky watercourse crossing assets hinder/block fish passage, Husky may be subject to fines, penalties or enforcement orders until the deficiency has been corrected.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Exceptionally unlikely

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

Potential financial impact figure - maximum (currency)

10000000

Explanation of financial impact

Watercourse crossings are federally regulated under the Fisheries Act and the Species at Risk Act, as well as the Public Lands Act and Environmental Protection and Enhancement Act the provincial level. Penalties and offences for non-compliance include fines and potential imprisonment pursuant to the Fisheries Act. The estimated cost of non-compliance with the Directive is based on historical inspection results and estimated crossing deficiencies.

Primary response to risk

Comply with local regulatory requirements

Description of response

To maintain compliance with this directive, Husky participates in Foothills Stream Crossing Partnership, which provides Husky with a system to inspect and manage its watercourse crossing assets and facilitate reporting on the asset's status to the Alberta Energy Regulator annually. Husky inspects crossing assets in priority watersheds annually, and develops remediation plans to address deficiencies within a 5-year timeframe.

Cost of response

17000

Explanation of cost of response

The cost of partnership is \$10,000. Third-party inspector costs are around \$7,000/yr.

W4.2a

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

Country/Area & River basin

Canada	Other, please specify (Athabasca River)
--------	-----------------------------------------

Stage of value chain

Other, please specify (Operations)

Type of risk & Primary risk driver

Physical	Increased water scarcity
----------	--------------------------

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Husky is reliant on third-party access agreements for source water at the Sunrise Energy Project. With the local competition for water sources, unplanned changes in the access agreements could impact water sourcing and therefore oil production.

Timeframe

4-6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

If Husky's two operator agreements for water sourcing were compromised at the same time, production would stop. Based on 2019 data, lost production on its own would be a loss of approximately \$13 million per week gross revenue. These costs would be incurred until at least one agreement issue was resolved or an alternate water source was found.

Primary response to risk

Supplier engagement	Other, please specify (Engage with industry peers on water management collaboration for mutual benefit to mitigate future water sourcing risk)
---------------------	------------------------------------------------------------------------------------------------------------------------------------------------

Description of response

In 2019, Husky continued to engage with industry peers on water management collaboration for mutual benefit to mitigate future water sourcing risk.

Cost of response

100000

Explanation of cost of response

Estimated cost of updates to the Water Management Plan for the facility; includes technical assessment and identification of water source mitigations.

W4.3

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

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

W4.3a

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

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

Husky handles substantial water volumes throughout the completion and production phases of its fracturing operations. The volume of water, the high frequency in which it's handled, and the temporary methods and infrastructure used to handle water, result in high operating costs. Husky is assessing opportunities to lower the financial, community and environmental impact of water handling. Opportunities are assessed through holistic water management scenarios that align and can be implemented with the planned pace of development. The use of local and/or permanent infrastructure could make Husky's fracturing assets more resilient in challenging economic conditions, and limit water transportation by trucking resulting in reduced impact on communities. Permanent infrastructure for water storage and/or recycling can be used to increase the efficiency of water use in fracturing operations, lowering the environmental impact. Water retention ponds, deep groundwater wells (>50 m deep), water pipelines, water treatment and recycling technology and wastewater disposal (>1,000 m deep) are all being considered as opportunities.

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

High

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)

10000000

Potential financial impact figure – maximum (currency)

200000000

Explanation of financial impact

Two examples of Husky's fracturing assets and their cost-benefit considerations are: 1) In-field (local) Husky owned disposal (requires moderate capital (\$3MM to \$20MM); can be implemented once there is sufficient demand (water volumes) to justify Husky owned and/or local disposal; reduces trucking costs; reduces truck traffic; eliminates disposal fees; would save > \$36MM over 10 years 2) Permanent water treatment and recycling; Involves a high commitment (\$20MM to \$50MM); must be considered with plant construction and commitment to asset development; drastically reduces or eliminates trucking, reduces freshwater volume requirements; reduces disposal requirements and fees; capital investment of \$20MM would be recovered in 3 to 5 years The financial impact can be variable depending on the scale of operations, the time required for development, and type and location of infrastructure.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

SeaRose FPSO

Country/Area & River basin

Canada	Other, please specify (Atlantic Ocean)
--------	----------------------------------------

Latitude

46.7904

Longitude

-48.0163

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

19995

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

18247

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

1748

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

19995

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

Discharges to brackish surface water/seawater

18210

Discharges to groundwater

1785

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Increases in withdrawals and discharges due to the facility re-starting in 2019, after being shut-in from November 2018 to January 2019, and increased water required for simple cooling of marine systems.

Facility reference number

Facility 2

Facility name (optional)

Bolney Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.527242

Longitude

-109.35453

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

6455

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

3257

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

3198

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

6288

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

6288

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

167

Comparison of total consumption with previous reporting year

Much higher

Please explain

No significant change in withdrawals or discharges at this facility. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 3

Facility name (optional)

Edam East Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.121674

Longitude

-108.757994

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

3603

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2099

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

1504

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

3587

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

3587

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

16

Comparison of total consumption with previous reporting year

Much higher

Please explain

No significant change in withdrawals or discharges at this facility. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 4

Facility name (optional)

Edam West Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.100306

Longitude

-108.925712

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

1814

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1029

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

785

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

1809

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

1809

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

5

Comparison of total consumption with previous reporting year

Lower

Please explain

No significant change in withdrawals or discharges at this facility. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 5

Facility name (optional)

Paradise Hill Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.606028

Longitude

-109.447917

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

1600

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

840

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

761

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

1549

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

1549

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

52

Comparison of total consumption with previous reporting year

Much higher

Please explain

No significant change in withdrawals or discharges at this facility. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 6

Facility name (optional)

Pikes Peak South Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.207526

Longitude

-109.37079

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

3954

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2052

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

1903

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

3901

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

3901

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

54

Comparison of total consumption with previous reporting year

Lower

Please explain

No significant change in withdrawals or discharges at this facility. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 7

Facility name (optional)

Pikes Peak Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.279019

Longitude

-109.364955

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

169

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

80

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

89

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

166

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

166

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

3

Comparison of total consumption with previous reporting year

Much lower

Please explain

Facility was shut-in March 2019. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 8

Facility name (optional)

Rush Lake 2 Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.105661

Longitude

-108.984934

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

3261

Comparison of total withdrawals with previous reporting year

Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

1847

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

1415

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

3231

Comparison of total discharges with previous reporting year

Much higher

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

3231

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

31

Comparison of total consumption with previous reporting year

Much higher

Please explain

There was increased withdrawal and discharges due to the facility ramp up in 2019. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 9

Facility name (optional)

Rush Lake Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

52.842646

Longitude

-109.804696

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

3624

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2149

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

1476

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

3592

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

3592

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

32

Comparison of total consumption with previous reporting year

Much higher

Please explain

Increased withdrawal due to operational pacing. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 10

Facility name (optional)

Sandall Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.399636

Longitude

-109.438052

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

1643

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

928

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

715

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

1574

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

1574

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

69

Comparison of total consumption with previous reporting year

Much higher

Please explain

Increased withdrawal due to operational pacing. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 11

Facility name (optional)

Vawn Thermal Plant

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.114462

Longitude

-108.641652

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

4094

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2154

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

1940

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

4058

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

4058

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

36

Comparison of total consumption with previous reporting year

Much higher

Please explain

No significant change in withdrawals or discharges at this facility. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 12

Facility name (optional)

Dee Valley

Country/Area & River basin

Canada	Other, please specify (North Saskatchewan River)
--------	--------------------------------------------------

Latitude

53.175395

Longitude

-109.268587

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

1099

Comparison of total withdrawals with previous reporting year

This is our first year of measurement

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

746

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

353

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

1102

Comparison of total discharges with previous reporting year

This is our first year of measurement

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

1102

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

-3

Comparison of total consumption with previous reporting year

This is our first year of measurement

Please explain

First year reporting.

Facility reference number

Facility 13

Facility name (optional)

Sunrise Energy Project

Country/Area & River basin

Canada	Other, please specify (Athabasca River)
--------	-----------------------------------------

Latitude

57.251659

Longitude

-110.988631

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Upstream

Total water withdrawals at this facility (megaliters/year)

10975

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

6

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

775

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

9021

Withdrawals from third party sources

1173

Total water discharges at this facility (megaliters/year)

10741

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

10741

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

234

Comparison of total consumption with previous reporting year

Much higher

Please explain

Decreased withdrawals are due to higher oil cuts being produced from the reservoir. Higher oil cuts mean that less produced water is withdrawn. Decreases in discharges are due to a turnaround in 2019 – less steam was injected in the reservoir. Consumption is negligible (<1% of withdrawal).

Facility reference number

Facility 14

Facility name (optional)

Lima Refinery

Country/Area & River basin

United States of America	Other, please specify (Maumee River)
--------------------------	--------------------------------------

Latitude

40.722068

Longitude

-113.88582

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Midstream/Downstream

Total water withdrawals at this facility (megaliters/year)

3511

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

2467

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

1044

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

1037

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

795

Discharges to brackish surface water/seawater

Discharges to groundwater

242

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

2474

Comparison of total consumption with previous reporting year

About the same

Please explain

Withdrawals and discharges decreased due to commissioning of the water recycling project in March 2019.

Facility reference number

Facility 15

Facility name (optional)

Superior Refinery

Country/Area & River basin

United States of America	Other, please specify (Lake Superior)
--------------------------	---------------------------------------

Latitude

46.69036

Longitude

-92.070925

Located in area with water stress

No

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Midstream/Downstream

Total water withdrawals at this facility (megaliters/year)

0

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

0

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

Lower

Please explain

Refinery was under reconstruction in 2019.

Facility reference number

Facility 16

Facility name (optional)

Minnedosa Ethanol Plant

Country/Area & River basin

Canada	Other, please specify (Assiniboine River)
--------	-------------------------------------------

Latitude

50.2543

Longitude

-99.849794

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

Not applicable

Total water withdrawals at this facility (megaliters/year)

549

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

549

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Please select

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

Comparison of total consumption with previous reporting year

Please select

Please explain

No significant changes in water withdrawals.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water withdrawals – volume by source

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water withdrawals – quality

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – total volumes

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by destination

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – volume by treatment method

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – quality by standard effluent parameters

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – temperature

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water consumption – total volume

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water recycled/reused

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

W6. Governance

W6.1

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

Yes, we have a documented water policy, but it is not publicly available

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	The Husky Corporate Water Standard applies to the entire Company and is approved by the Chief Operating Officer. The Standard outlines the expectation for every facility to conduct a water risk assessment and develop a water management plan. It acknowledges the human right to water. It describes both the business dependency on water, such as oil production and refining needs, and describes business impact on water, such as resulting impacts to water availability from Husky's use or to water quality from inadvertent releases. The Standard references international standards in setting expectations for water risk assessments. Risk assessments are expected to consider environmental linkages. Targets and goals are included, to ensure objectives are met. The Standard outlines that regulatory compliance is the minimum expectation, and that the Company, as a responsible water steward, expects to exceed the minimum expectation. The Water Management Critical Competency Network is endorsed under the Standard.

W6.2

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

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	The Health, Safety and Environment Committee ("HS&E Committee") of the Board has oversight of Husky's HS&E strategy and has oversight of the operational aspects of environmental issues including water. The HS&E Committee reviews elements of Husky's Enterprise Risk Matrix when it meets at least semi-annually. The HS&E Committee reports to the Board and the Co-Chairs of the Board on a regular basis as is responsibly appropriate. In 2019, the HS&E Committee: o Received and discussed updates on ESG disclosure. o Received updates on the Corporation's environmental audit programs.
Director on board	Husky's Board of Directors (the "Board"), in consultation with the committees of the Board, has oversight of the identification of the principal risks of the Company's business and is responsible for using reasonable steps to ensure the implementation of appropriate systems to manage such risks. The Board receives updates with respect to Husky's enterprise risk matrix ("Enterprise Risk Matrix"), which is maintained by the Compliance and Risk Committee. In November 2019, the Board received an information session on environmental, social and governance ("ESG") performance and disclosure.
Board-level committee	The Chair of the Company's Environment, Social and Governance Steering Committee (the SVP Corporate Affairs and Human Resources) reports to the Corporate Governance Committee of the Board on ESG matters, including water. The Corporate Governance Committee of the Board provides oversight responsibility related to Husky's general approach to these matters. The Corporate Governance Committee meets at least three times per year. In 2019, the Corporate Governance Committee received and discussed updates on ESG matters.
Board-level committee	The Audit Committee of the Board provides oversight of the financial aspects of Husky's ESG strategy. The Audit Committee reviews elements of Husky's Enterprise Risk Matrix. The Audit Committee meets at least quarterly and reports to the Board and the Co-Chairs of the Board on a regular basis as is appropriate. In 2019, the Audit Committee received and discussed updates on the financial aspects of these risks.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding annual budgets Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding corporate responsibility strategy	The Board meets at least four times per year with stewardship responsibilities to: 1. oversee the conduct of the business of the Corporation; 2. provide supervising leadership and direction to the President and Chief Executive Officer and senior management of the Corporation; 3. assess the President and Chief Executive Officer's performance; 4. approve policies appropriate for the business of the Corporation; 5. approve corporate strategies and goals of the Corporation; and 6. be accountable to the Corporation's shareholders to establish procedures for good governance and to enhance shareholder value. In November 2019, the Board received an information session on ESG performance and disclosure. The HS&E Committee of the Board meets at least semi-annually with the mandate to assist the Board by reviewing, reporting and making recommendations on the Corporation's policies, management systems and programs with respect to HS&E issues. Husky includes water-related issues as part of its definition of HS&E. In 2019, the HS&E Committee received and discussed updates on ESG matters; and, received updates on the Corporation's environmental audit programs. The Audit Committee meets at least quarterly with the mandate to assist the Board in carrying out its responsibilities with respect to: 1. the quarterly and annual financial statements and quarterly and annual MD&A, which are to be provided to shareholders and the appropriate regulatory agencies; 2. earnings press releases before the Corporation publicly discloses this information; 3. the system of internal controls that management has established; 4. the internal and external audit process; 5. the appointment of external auditors; 6. the appointment of qualified reserves evaluators or auditors; 7. the filing of statements and reports with respect to the Corporation's oil and gas reserves; and 8. the identification, management and mitigation of major financial risk exposures of the Corporation. In 2019, the Audit Committee received and discussed updates on the financial aspects of ESG risks The Corporate Governance Committee meets at least semi-annually with the mandate to assist the Board in carrying out its responsibilities with respect to the development and implementation of principles and systems for the management of corporate governance, among other things. In 2019, the Corporate Governance Committee received and discussed updates on ESG matters. The committees' mandates, which each lay out specific duties, are publicly available on Husky's website: https://huskyenergy.com/about/board-mandates.asp

W6.3

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

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

Other, please specify (SVP Safety, Operational Integrity & Environment, and Chair of the Executive Health, Safety, and Environment Committee)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

Water-related issues are managed by the Executive Health, Safety and Environment Committee (EHSEC). It is the highest-level management committee, with a mandate to provide executive level oversight and strategic direction for all critical health, safety and environmental issues, including water-related issues. This committee consists of members of senior management and is chaired by the Senior-Vice President Safety Operational Integrity & Environment, who holds ultimate accountability for management of, and reporting on, water-related issues to the Board. The EHSEC Committee contributes HSE elements to the enterprise risk matrix. This matrix is maintained by the Risk and Compliance Committee, which reports the matrix on a quarterly basis to the Audit Committee of the Board of Directors, at least semi-annually to the Health, Safety and Environment Committee of the Board of Directors, and annually to the Board of Directors.

W6.4

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

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

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

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, funding research organizations

W6.5a

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

Key individuals in the business units and supporting service groups that are involved in water management issues are engaged through the Water Regulatory Monitoring Committee and the Water Management Critical Competency Network. The Company's positions on water-related issues are clearly communicated to policy makers either directly or through participation in industry association working groups within the jurisdictions where the Company operates. Husky's Government Relations department works with Company representatives involved in water policy engagement to ensure that policy advocacy activities are aligned. Inconsistencies within advocacy activities (both internal, and with industry associations) are addressed individually on an ad-hoc basis.

W6.6

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

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

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Water sourcing and discharge are critical to most of Husky's operations. Availability, reliability, regulatory, and stakeholder water issues are local. For example, in some of Husky's operating areas, water disposal capacity is abundant, while water sourcing is scarcer. Water availability and disposal capacity are fully integrated into Husky's long-term business plans for the Sunrise and Tucker facilities. Water supply and quality are fully integrated into objectives and business plans for the Saskatchewan thermal portfolio. Husky considers these aspects in assessing long term strategic objectives, including evaluation of significant capital investments or potential oil and gas asset acquisitions. These aspects are also considered as part of a project's technical review, through Husky's Project Delivery Model and Project Assurance processes. This includes hydrogeologic and hydrologic assessment of water resources for future developments.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Water sourcing and discharge are critical to most of Husky's operations. Availability, reliability, regulatory, and stakeholder water issues are local. Husky considers these aspects in assessing long term strategy, including evaluation of potential oil and gas assets. This includes hydrogeologic and hydrologic assessment of water resources. As an example, Husky's hydraulic fracturing projects use substantial water volumes throughout drilling, completion, and production. Husky is assessing opportunities to lower the financial, community, and environmental impact of this water handling, such as the construction of permanent infrastructure for water storage and recycling. Husky introduced the Husky Operational Integrity Management System (HOIMS) 2.0 in 2019. HOIMS 2.0 provides a framework for the strategy of running a safe and reliable business. Specifically, elements 12 and 14 of HOIMS 2.0 outline provisions for protecting the environment.
Financial planning	Yes, water-related issues are integrated	11-15	Capital is required to protect and remediate fresh water, identify and evaluate water sourcing and discharge options, and implement water storage and treatment technologies. The potential for increased capital expenditure has further motivated efforts to identify opportunities for increased water efficiency and continuous improvement in asset integrity. Husky has a process for financial approval of all projects which includes evaluating financial risk relating to water. As an example, water-related infrastructure related to a crude oil flexibility project at the Lima Refinery was included in the long-range plan for refinery, and is also included in the long-range plan for Saskatchewan thermal projects.

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

-50

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

0

Water-related OPEX (+/- % change)

0

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

0

Please explain

Husky does not explicitly track water-related CAPEX and OPEX for thermal and offshore projects; the percentages above are estimates and reflect Husky's fracturing operations only. Husky reduced the per-well water management CAPEX in fracturing operations by up to 50%, from 2018 to 2019. The 2020 water-related OPEX for fracturing operations is anticipated to be similar or lower than 2019, due to less completions activity. Water related CAPEX and OPEX are expected to decrease beyond 2020, corresponding with strategic water management planning for all operations, and opportunities to develop water-related infrastructure for fracturing operations.

W7.3

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

	Use of climate-related scenario analysis	Comment
Row 1	Yes	

W7.3a

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

Yes

W7.3b

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

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	IEA Sustainable Development Scenario Nationally determined contributions (NDCs) Other, please specify (Canada Energy Regulator)	Husky has conducted qualitative climate scenario analysis and evaluated its operations relative to emerging regulations based on international commitments. Husky considers potential climate-driven changes in the status of water availability and ecosystems/habitats at a local level where they relate to the water management of Husky facilities. The Company invests in research to better understand how water availability and ecosystem/habitats may change over time, which include climate aspects.	Husky's strategic response to the possibility of climate-driven changes in water availability in Saskatchewan is investment in climate-related water availability research. Husky invests in the Climate Impacts to Industrial Water Supplies on the North Saskatchewan River project, which is conducted through the Prairie Adaptation Research Collaborative at the University of Regina. The research helps Husky to better predict potential availability issues.

W7.4

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

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Water valuation is complex and there is limited guidance on establishing a methodology, particularly in the oil and gas industry. In the jurisdictions where Husky operates, extensive data or methodology around water valuation are not mature. Husky will continue to explore water valuation practices.

W8. Targets

W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals Basin specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Targets and goals are outlined in the Husky Corporate Water Standard, which has been endorsed by the Chief Operating Officer. The Company-wide and site-specific targets and goals were developed based on identification of water risks and are evaluated on an annual basis.

W8.1a

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

Target reference number

Target 1

Category of target

Other, please specify (Water management plans)

Level

Company-wide

Primary motivation

Risk mitigation

Description of target

Complete and document water management plans for all operations that rely on water resources or have the potential to negatively impact water resources. Water management plans (also referred to as water risk assessments) identify water risks and associated mitigations, and therefore are critical to water security. For this reason, the target is company-wide, with expectations applicable to individual facilities.

Quantitative metric

Other, please specify (% of facilities with management plan)

Baseline year

2014

Start year

2014

Target year

2020

% of target achieved

46

Please explain

46% of all facilities identified that rely on water resources or have the potential to negatively impact water resources have documented water management plans. The priority has been on higher risk facilities with more complex water risks.

Target reference number

Target 2

Category of target

Water pollution reduction

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Husky has an internal target for hydrocarbon spill recovery of 85%.

Quantitative metric

Other, please specify (% spilled hydrocarbons recovered)

Baseline year

2019

Start year

2019

Target year

2019

% of target achieved

100

Please explain

Husky recovered 98.1% of spilled hydrocarbon volumes in 2019.

Target reference number

Target 3

Category of target

Water pollution reduction

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Husky has an internal target for hydrocarbon release volume of ≤ 350 m3

Quantitative metric

Other, please specify (Total volume (m3) hydrocarbons released)

Baseline year

2019

Start year

2019

Target year

2019

% of target achieved

100

Please explain

Husky spilled fewer than 350 m3 of hydrocarbons in 2019.

Target reference number

Target 4

Category of target

Water pollution reduction

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Husky has an internal target for number of reportable spill incidents of ≤ 170

Quantitative metric

Other, please specify (Total number of reportable spill incidents of any type)

Baseline year

2019

Start year

2019

Target year

2019

% of target achieved

0

Please explain

Husky had a total number of spill incidents greater than 170 in 2019.

Target reference number

Target 5

Category of target

Water, Sanitation and Hygiene (WASH) services in the workplace

Level

Company-wide

Primary motivation

Commitment to the UN Sustainable Development Goals

Description of target

Through its Water Supply Integrity Program, Husky has an internal target to complete an annual sampling program of water sources at all (100%) applicable upstream and downstream facilities with domestic water supplies. Facilities that participate in provincially, state or federally administered programs (e.g. the Sunrise Energy Project) are excluded.

Quantitative metric

Other, please specify (% of applicable facilities with domestic water supplies that completed the annual Water Supply Integrity Program)

Baseline year

2019

Start year

2019

Target year

2019

% of target achieved

100

Please explain

All applicable Husky facilities completed the annual Water Supply Integrity Program in 2019.

W8.1b

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

Goal

Other, please specify (Facility Water Management Plans)

Level

Company-wide

Motivation

Risk mitigation

Description of goal

Husky completes water management plans. Water management plans (also referred to as water risk assessments) identify water risks and associated mitigations, and therefore are critical to water security. Annually, facilities that rely on water are identified, with risks reviewed at a high level, and facilities are selected for detailed water risk assessment and mitigation. This is a Company-wide goal to allow prioritization of the highest risk facilities. This ensures the highest water risks are being addressed, which is important since a large portion of Husky's operations are dependent on water. A schedule is updated to track progress of water risk assessments.

Baseline year

2014

Start year

2014

End year

2020

Progress

A list of facilities that rely on water is generated, and progress in conducting water risk assessments is tracked against this list each year. Success is indicated by completion of risk assessments for the highest priority facilities on an annual basis, and for all facilities by 2020. Husky has now completed risk assessments for 46% of its water-reliant facilities.

W9. Verification

W9.1

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

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

W10. Sign off

W-FI

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

READER ADVISORIES See attached document regarding Forward-Looking Statements and Disclosure of Oil and Gas Information.
2020 Husky CDP Water Security Questionnaire Advisories.docx

W10.1

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

	Job title	Corresponding job category
Row 1	Senior Vice President Safety, Operations, Integrity and Environment	Other, please specify (Senior Vice President Safety, Operations, Integrity and Environment)

W10.2

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

No

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms