

**2017**

**SUSTAINABILITY  
SNAPSHOT**

**encana**

**We have deeply  
embedded  
sustainability into  
our day-to-day  
decision making.**

**Doug Suttles, CEO**







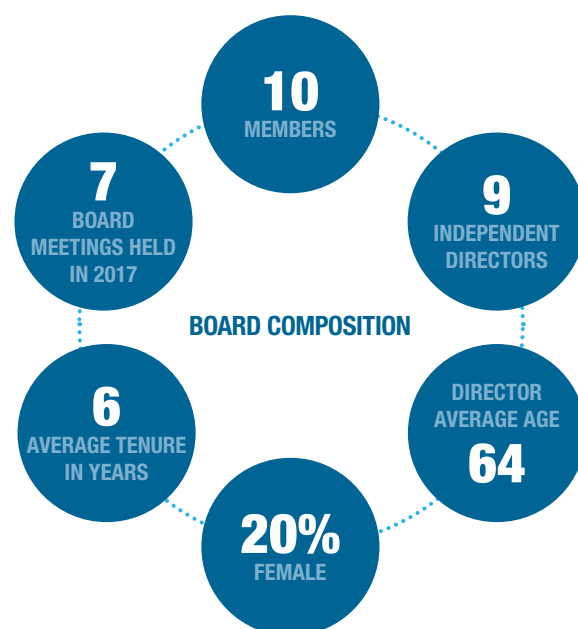
**Strong ESG  
performance is an  
important part of  
building a quality,  
sustainable business.**

## Governance

Corporate governance at Encana is about accountability and transparency throughout the company. Encana's Board of Directors is responsible for oversight of Environmental, Social and Governance (ESG) issues.

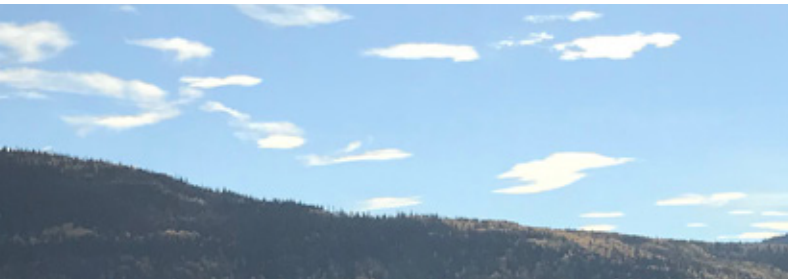
### BOARD COMPOSITION

We believe diverse backgrounds and perspectives enhance Board and management effectiveness by enabling a broader identification of opportunities and risks, as well as potential impacts to our business.



### ETHICS, INTEGRITY AND COMPLIANCE

Encana's Business Code of Conduct and Corporate Responsibility Policy establish our commitment to conducting our business ethically. We continuously take steps to ensure our workforce is working in compliance of all laws, rules and regulations.

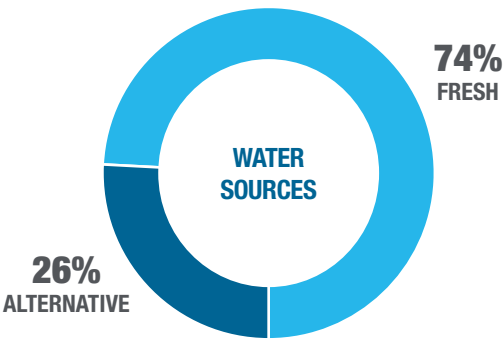


## Environment

Encana’s business practices minimize operational impacts to air, water and land. Our environmental programs allow us to manage air emissions, prevent and respond to spills, minimize habitat disturbance and protect water across diverse ecosystems.

### WATER

Water management requires consideration of resources, stakeholder engagement, regulations and operational needs. How we source, transport and dispose of water is an important part of our business strategy.



### CLIMATE CHANGE

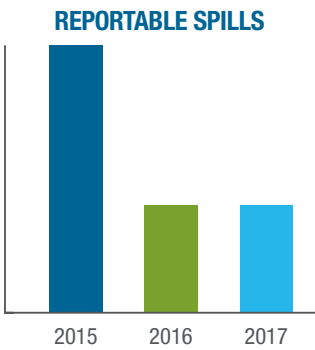
Our world is striving to understand and balance the impacts of climate change with the critical need for affordable, reliable energy. We are committed to minimizing the impact of our operations as we deliver the energy that contributes to society’s health, quality of life and prosperity.

### AIR EMISSIONS

Encana is focused on improving greenhouse gas emissions performance. We also align best practices for emission reduction strategies and coordinated regulatory responses with industry partners and government agencies.

### SPILLS

Preventing spills is essential to minimizing environmental impact, ensuring a safe workplace and reducing costs.

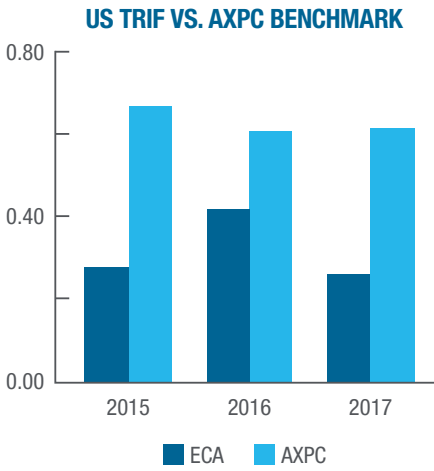


## Social

Encana’s business practices encourage community engagement and ensure the safety of our workforce and community members. We engage with communities, prevent and respond to incidents and ensure our diverse workforce is competent, safe and free from harassment.

### SAFETY

Safety is one of Encana’s foundational values. We strive to proactively identify and control the risks associated with our operations and ensure that our expectations are clearly communicated and followed.

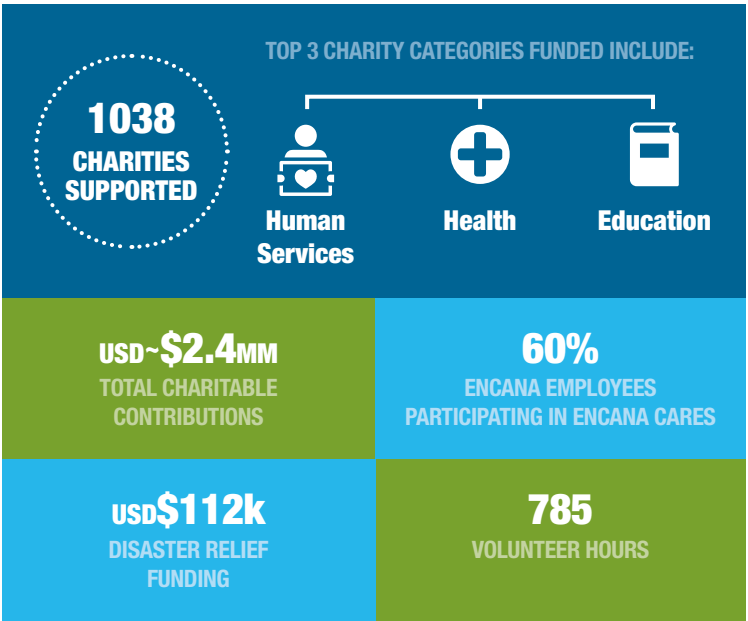


### OUR PEOPLE

We know the success of our company is the result of our people and we hire people who pursue innovation and have a passion for continuous improvement. We apply fair labor practices throughout our operations and adhere to all applicable workplace, employment, privacy and human rights standards.

### COMMUNITY IMPACT

Encana makes a significant impact in the communities in which we operate through grants, sponsorships, volunteering, in-kind gifts and through our employee contribution program, Encana Cares. We recognize that our success depends on the economic, social and environmental health of the communities where we live and work.





# Innovation and efficiency drive our financial and ESG performance.

2017 REVENUES  
**USD\$4.44B**



2017 CHARITABLE CONTRIBUTIONS

**USD~\$2.4MM**



NON-GAAP CASH FLOW MARGIN **+ 81%** TO \$11.75 PER BOE

**2,107**

TOTAL EMPLOYEES  
U.S. 950/ CANADA 1157



ENTERPRISE VALUE

**USD\$16.45B**  
at year end 2017

CAPITAL EXPENDITURES

**USD\$1.80B**

TOTAL OPERATING EXPENSES

**USD\$3.38B**

TOTAL PRODUCTION

**313.2 MBOE/d**



HEADQUARTERS

**Calgary, AB Canada**



## Priorities

We complete an annual priority assessment to identify ESG risks which could impact our corporate strategy. We analyze ESG risks against two criteria: importance to stakeholders and impact to strategy. The results of this exercise are communicated to the executive team and the Board.



### WATER USE

We continue to reduce our reliance on fresh water by increasing the number and capacity of our cost-saving water resource hubs.



### CLIMATE CHANGE

We recognize the world continues to balance climate change with the critical need to provide affordable, reliable energy. We are focused on minimizing the impact of our operations as we deliver some of the energy that contributes to our society's health, quality of life and prosperity.



### PROCESS SAFETY

Each year, our goal is to have the safest year ever. Our process safety program focuses on preventing incidents, keeping our people safe and minimizing potential impact to our neighbors and the environment.



### COMMUNITY CONCERNS

Effective community engagement is integral to earning and maintaining public acceptance, which in turn helps us advance our strategy.

## Task Force on Climate-Related Financial Disclosures

In 2015, the Financial Stability Board established the Task Force on Climate-Related Financial Disclosures (TCFD) to develop guidance on climate-related financial reporting. In 2017, the Task Force developed a framework with four widely adoptable recommendations for organizations across sectors and industries. Organizations where climate-related risks and opportunities could become material in the future are encouraged to begin disclosing climate-related financial information. Encana is exploring the TCFD recommendations while continuing our ongoing priority assessment efforts.



### ENCANA'S APPROACH TO TCFD

#### GOVERNANCE

As part of the Encana's Board of Director's Mandate, the Board is required to annually review and adopt a strategic planning process and approve the corporate strategic plan, which considers among other things, opportunities and risks to the business.

#### STRATEGY

Encana's business strategy is risk-based and focused on identifying ESG related issues of importance to our key stakeholders that have the potential to impact our strategy. Encana considers climate-related risks in our financial and strategic scenario analysis. This includes analyzing long-term impacts of commodities pricing, carbon pricing and the long-term financial impacts associated with climate change, among other things.

#### RISK MANAGEMENT

Encana continues to analyze and address risk on a short and long-term basis, making agile adjustments as needed. Our annual ESG priority assessment provides an analysis of key issues that can impact our strategy.

#### METRICS AND TARGETS

Encana has a demonstrated history of annually tracking and reporting ESG metrics and then benchmarking our data against our peers. For our 2017 data and metrics, please see our Performance Data.

## Performance data

	2017	2016	2015
<b>TOTAL PRODUCTION (BOE/d)</b>	<b>313.2</b>	<b>352.7</b>	<b>405.9</b>
<b>AIR EMISSIONS</b>			
Direct GHG emissions <sup>1</sup> (10 <sup>3</sup> tonnes CO <sub>2</sub> e)	<b>3,136</b>	3,144	4,352
GHG intensity	<b>10.01</b>	8.83	10.72
Flared gas (10 <sup>3</sup> m <sup>3</sup> /yr)	<b>85,991</b>	89,976	86,320
Vented gas (10 <sup>3</sup> m <sup>3</sup> /yr)	<b>37,360</b>	39,965	98,170
Nitrogen oxides (NO <sub>x</sub> ) emissions (tonnes)	<b>24,800</b>	22,149	10,266
Sulphur dioxide (SO <sub>2</sub> ) emissions (tonnes)	<b>5,321</b>	5,492	3,875
<b>SPILLS</b>			
Reportable spills <sup>2</sup>	<b>59</b>	65	161
<b>WATER USE</b>			
Fresh water <sup>3</sup> (MMbbls)	<b>66.41</b>	39.39	50.12
Alternative sources <sup>4</sup> (MMbbls)	<b>22.83</b>	16.9	10.59
Total water use (MMbbls)	<b>89.24</b>	56.29	60.72
<b>PERSONAL SAFETY</b>			
Recordable injuries <sup>5</sup>	<b>64</b>	54	99
Recordable injury frequency	<b>0.3</b>	0.3	0.34
Lost time injuries	<b>7</b>	6	17
Lost time injury frequency	<b>0.03</b>	0.03	0.06
Fatalities	<b>0</b>	0	0
<b>PEOPLE</b>			
Total staff (employees and contractors)	<b>2,107</b>	2,200	2,726
Gender diversity (% female)	<b>35</b>	35	37

### CONTACT US:

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[encana.com/sustainability](http://encana.com/sustainability)

(1) Emissions are calculated using locally regulated methodology or locally recognized industry standard.

(2) Spills reported to a regulatory agency, as required in the jurisdiction where a spill occurs.

(3) Fresh water includes water sourced from surface locations and groundwater aquifers.

(4) Alternative water includes saline, produced, recycled and reused water.

(5) Recordable injuries include fatalities, permanent total disabilities, lost work cases, restricted work cases and medical treatment cases.

