MEG Energy

ESG Performance Data Report

2024

TSX | MEG

Contents

Land Acknowledgement

At MEG, we provide land acknowledgements to show gratitude and appreciation to the Indigenous communities who have lived on Turtle Island since time immemorial. Along with a deep understanding of its context, history and meaning, making a land acknowledgment is a small but important first step in the reconciliation process between all treaty people.

Regional Land Acknowledgements

Our Head Office is in Calgary

We acknowledge the traditional Treaty 7 territory of the Blackfoot Confederacy: Siksika, Kainai, Piikani, as well as the Îyâxe Nakoda and Tsuut'ina nations. We are situated on the land where the Bow River meets the Elbow River, and the traditional Blackfoot name of this place is "Mohkinstsis" which we now call the City of Calgary. We acknowledge that this territory is home to the Otipemisiwak Métis Government of the Métis Nation within Alberta Districts 5 and 6.

Our Site Operations are at Christina Lake

We acknowledge Treaty 8 territory – the traditional and ancestral territory of the Cree and Dene. We acknowledge that this territory is home to the Métis Settlements, Métis Nations and the Otipemisiwak Métis Government. We acknowledge the many First Nations, Métis and Inuit who have lived on and cared for these lands for generations.

Calgary, Alberta


Christina Lake, Alberta

Introduction

About This Report

The 2024 ESG Performance Data Report (the EPD report) and associated disclosures represent MEG's ongoing commitment to transparency and the disclosure of Environmental, Social and Governance (ESG) topics and performance metrics relevant to our business and our stakeholders. The EPD report focuses on ESG topics our stakeholders have identified as important and that have potential impact on MEG's success as identified in our ESG Materiality Assessment (conducted in early 2023).

Scope

The report covers the ESG performance of MEG's 100% owned and operated asset, the Christina Lake Regional Project (CLRP), unless explicitly stated otherwise. All other assets are currently not developed. MEG does not hold any operated or non-operated joint venture interests. This report focuses on performance from January 1 to December 31, 2023, and significant events early in 2024. Data exclusions or additions are noted throughout the report. Financial data is stated in Canadian dollars and in a manner consistent with our 2023 reports and regulatory filings. Environmental data is reported in metric units.

Framework

Where applicable, indicators used in this report align with internationally recognized standards and frameworks relevant to the energy industry.

For additional detail on our financial performance and information about our business, refer to our financial statements, our Management's Discussion and Analysis (MD&A) and Annual Information Form (AIF) which are also filed on **SEDAR+**. In most cases, we use standard industry calculation methodologies and definitions. We aim for continuous improvement of these standards, as well as our internal tracking and measurement systems, to improve the accuracy of the performance data. If, as a result, adjustments to previously reported performance data are required, they are noted in the footnotes of the EPD Report.

Forward-Looking Statements

Certain statements contained in the report may contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. Refer to the notice regarding **Forward-Looking Information** in this report.

Assurance

As part of MEG's continued commitment to standardize our reporting methodology, we engage a third party to perform assurance on select performance indicators included in the report. To read the complete assurance statement, see the Assurance section of our website.

About Us

Our Purpose

Our purpose is to supply the world with energy, produced safely and reliably, while generating long-term value for all our stakeholders.

We are proudly Canadian. Our operations are located in Canada, which ranks #1 for its environmental, social and governance practices among the world's top proved plus probable oil reserve holders.

We are committed to supplying the world with affordable, secure energy, produced safely and reliably.

We are a founding Pathways Alliance member.

Our Operating Priorities

At MEG, we get it right because we follow our priorities in this order:

1. We care for ourselves and all others.

2. We care for the environment and communities in which we live and operate.

3. We care for our business and long-term performance.

Our Values

We are MEG to the Core

What does that mean to us? It means we have pride in who we are and where we are going.

Safety is foundational in every value, as our people are at the core of our success.

MEG to the Core anchors our five values. Every business decision we make, no matter how big or small, aligns with our values and how we are moving forward.

CEO Message

"As an industry, we must remain focused on ensuring energy affordability, security and supply, all while minimizing our environmental impact."

I am very pleased to provide our 2024 ESG performance update. As a leading energy producer in Canada, we are committed to balancing the needs of all our stakeholders while driving positive change in the communities where we live and work.

Since our last report, we have remained steadfast in our commitment to delivering safe and reliable energy. Our materiality assessment, conducted in collaboration with key stakeholder groups in 2023, has continued to guide our efforts, ensuring that we address the most pressing issues facing our industry.

As we navigate the complexities of an evolving energy landscape, we recognize the importance of meeting Canadians' expectations of us both as an organization and as an industry. This requires an integrated approach and investment in technology and innovation.

The global events of the past year have underscored the urgency of our mission. From trade disputes to geopolitical tensions, the need for energy security has never been more apparent. As an industry, we must remain focused on ensuring energy affordability, security and supply. Here at MEG, we live by our values and accept the challenge of helping Canada, and society at large, navigate a changing world.

That is why collaboration and innovation are so vitally important to our efforts. Through partnerships with others, we are addressing the most crucial issues and challenges of energy production. Our people, alongside our peers, researchers, and academics, are partnering to bring their ideas to fruition and make our company and our industry better. I am proud of their efforts. By focusing on engineering, environmental considerations and consultations with Indigenous and local communities, we continue to work towards ensuring that our activities advance energy affordability, security and supply, and address the needs and concerns of our stakeholders.

As we look ahead, we remain determined to drive meaningful progress in ESG activities across our business. From environmental stewardship, to executing our safety leadership program, to fostering a culture of inclusion and safety, every action we take brings us one step closer to our vision of a stable, secure energy future.

My sincere gratitude goes out to our shareholders, stakeholders and the MEG team for your support. Together we will continue to lead the way towards a brighter future. Thank you.

Darlene Gates
President and Chief Executive Officer
MEG Energy

2023 Highlights and Pathways Alliance

Environment

Improved our steam-to-oil ratio (SOR) by **3.8%** over 2022

Reduced reportable spill intensity by more than **90%** from the previous year. This represents a historic low

Conserved **99.7%** of methane

Zero fresh water used in thermal operations

Since 2011, MEG has planted **515,781** trees

Since 2016, MEG has spent close to **$3.0MM** restoring approximately 200 kilometres of disturbed linear features within the Christina Herd Caribou Range

Social

Had an **86%** participation rate in voluntary employee experience survey

Launched the **Women's Inclusion Network** (WIN) – MEG's first employee resource group dedicated to building gender inclusion in the workplace

In partnership with vendors, MEG accomplished over **3.5MM** hours of work at its facilities, while achieving a **31% reduction** in Total Recordable Incident Rate (TRIR)

Completed a **full revision of our Emergency Response Plan** (ERP) aligning with global best practices and employing technology applications

Increased Indigenous Business spend by 35% from 2022. **$94.7MM** spent on goods and services provided by Indigenous businesses in 2023

Advanced our **Safety Leadership Development Program** (SLDP). The SLDP included extensive training and implementation of key behavioral performance indicators to aid in continually improving our safety culture

Developed and implemented **Safety Leadership Performance Indicators**, with accompanying measurement process, to monitor and assess progress of our safety culture

Governance

Women currently comprise **44%** of our corporation's Board*

56% of the Board are diverse persons*

11% of the Board members are Indigenous*

100% of employees and contractors signed off on the new Generative AI Policy as part of annual policy review process

*As of May 7, 2024

Amended our **Share Ownership Guidelines** to require Executives to hold at least 25% of their target ownership level in shares within 5 years of appointment

ESG indicators make up **35%** of the corporate performance scorecard

Pathways Alliance

Founding member of the Pathways Alliance

Continued advancement of engineering, design work, filing of major regulatory applications and community consultation

Working collaboratively with the Federal and Provincial governments on fiscal and regulatory support

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Activity									
Production of: (1) oil	bbl/day	93,082	82,441	93,733	95,338	**101,425**		EM-EP-000.A	A-1
Production of: (2) natural gas	bbl/day	0	0	0	0	**0**		EM-EP-000.A	A-1
Production of: (3) synthetic oil	bbl/day	0	0	0	0	**0**		EM-EP-000.A	A-1
Production of: (4) synthetic gas	bbl/day	0	0	0	0	**0**		EM-EP-000.A	A-1
Number of offshore sites	count	0	0	0	0	**0**		EM-EP-000.B	A-2
Number of terrestrial sites	count	1	1	1	1	**1**		EM-EP-000.C	A-2
Economic									
Steam to oil ratio (SOR)	bbl of steam/bbl of bitumen	2.22	2.32	2.43	2.36	**2.27**			EC-1
Common shares outstanding	millions	300	303	307	291	**275**			
Market capitalization	$ millions	2,213	1,347	3,572	3,590	**6,501**	102-7		EC-2
Gross sales	$ millions	3,976	2,301	4,397	6,343	**6,109**			EC-3
Adjusted funds flow	$ millions	724	275	281	826	**1,402**			EC-4
Annual capital investments	$ millions	198	149	331	376	**449**	201-1		EC-5
Operating expenses	$ millions	238	232	309	360	**268**			EC-6
Total assets	$ millions	7,866	7,224	7,593	7,033	**6,898**	102-7		
Royalties, taxes and fees	$ millions	45	9	76	225	**458**	201-1		EC-7
Net debt to capitalization ratio		43	44	39	23	**17**	102-7		EC-8
Debt to capitalization ratio		45	45	44	26	**20**	102-7		EC-9

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Climate Change & GHG Emissions									
Direct GHG emissions (Scope 1):	tonnes CO_2e	2,304,490	2,113,450	2,439,106	2,368,081	**2,382,468**	305-1	EM-EP-110a.1	GHG-1, GHG-2
(1) Scope 1 by GHG Type – CO_2	tonnes CO_2	2,286,737	2,100,396	2,420,766	2,347,212	**2,365,162**	305-1		GHG-2
(2) Scope 1 by GHG Type – CH_4	tonnes CH_4	377	218	396	480	**365**	305-1		
(3) Scope 1 by GHG Type – N_2O	tonnes N_2O	28	26	28	29	**27**	305-1		
Amount of Gross Global Scope 1 Emissions from:									
(1) flared hydrocarbons	tonnes CO_2e	8,325	6,708	7,362	10,157	**8,396**	305-1	EM-EP-110a.2	
(2) other combustion	tonnes CO_2e	2,289,787	2,103,994	2,424,749	2,351,077	**2,368,935**	305-1	EM-EP-110a.2	GHG-1
(3) process emissions	tonnes CO_2e	-	-	-	-	**-**	305-1	EM-EP-110a.2	GHG-3
(4) other vented emissions	tonnes CO_2e	867	512	4,510	2,502	**665**	305-1	EM-EP-110a.2	
(5) fugitive emissions	tonnes CO_2e	5,510	2,236	2,427	4,346	**4,472**	305-1	EM-EP-110a.2	
Percentage of methane	%	0.41	0.26	0.41	0.51	**0.43**		EM-RM-110a.1	
Percentage covered under emission-limiting regulations	%	100	100	100	100	**100**		EM-MM-110a.1	
Indirect GHG emissions (Scope 2)	tonnes CO_2e	0	16	0	383	**681**	305-2		
Bitumen GHG Emissions Intensity	kg CO_2e/bbl	57	59	60	58	**55.6**	305-4		
Electricity GHG Emissions Intensity	kg CO_2e/MWh	350	351	361	362	**367**	305-4		

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Water & Wastewater Management									
Total water withdrawal	thousand m^3	653	660	736	622	**591**	303-3		W-1
Water withdrawal by type:									
(1) non-saline water withdrawal	thousand m^3	583	512	557	608	**566**	303-3	EM-EP-140a.1	W-2, W-3
(2) saline water withdrawal	thousand m^3	71	148	180	14	**24**	303-3		W-4
Water withdrawal by source:									
(1) surface water withdrawal	thousand m^3	53	33	79	81	**94**	303-3		W-5
(2) groundwater withdrawal	thousand m^3	600	626	657	540	**497**	303-3		W-6
Total non-saline water consumed	thousand m^3	36	30	47	57	**64**	303-3	EM-EP-140a.1	
Recycled water – percentage recycled	%	96	96	96	97	**97**	303-3		W-7
Produced water volume:	thousand m^3	13,244	12,458	14,907	15,030	**15,746**	303-3	EM-EP-140a.2	W-8
(1) percentage discharged	%	0	0	0	0	**0**		EM-EP-140a.2	
(2) percentage injected	%	100	100	100	100	**100**		EM-EP-140a.2	
(3) percentage recycled	%	88	86	87	85	**85**		EM-EP-140a.2	
(4) hydrocarbon content in discharged water	tonnes	-	-	-	-	**-**		EM-EP-140a.2	W-9
Total make-up water withdrawal:	thousand m^3	543	568	593	470	**426**	303-3		
(1) saline make-up water withdrawal	thousand m^3	71	148	180	14	**24**	303-3		W-10
(2) non-saline make-up water withdrawal	thousand m^3	472	421	413	456	**402**	303-3		W-2, W-11
Total make-up water intensity	m^3 /m^3 oil production	0.10	0.12	0.11	0.09	**0.07**			W-12
Non-saline water make-up intensity	m^3 /m^3 oil production	0.09	0.09	0.08	0.08	**0.07**			W-12

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Land & Biodiversity									
Active commercial footprint	hectares	1,087	1,085	1,103	1,104	**1,139**			LB-1
Total land undergoing reclamation	hectares	100	104	97	103	**108**			LB-2
Cumulative caribou habitat restoration	hectares	5,871	6,347	8,197	8,623	**9,455**			LB-3
Cumulative caribou restoration program spend	$	1,664,711	1,965,999	2,268,152	2,622,267	**2,998,385**			LB-4
Percentage of: *(1) proved and* *(2) probable reserves in or near sites with protected conservation status or endangered species habitat*	%	-	84	84	84	**84**		EM-EP-160a.3	LB-5
Spills									
Reportable spills	count	4	8	5	3	**4**	306-3	EM-EP-160a.2	S-1, S-2
Total volume of reportable spills	m^3	34	123	831	65	**6**	306-3	EM-EP-160a.2	S-1, S-3
Total volume of reportable spills – hydrocarbon	m^3	8	13	65	0	**0.08**	306-3	EM-EP-160a.2	S-1
Count of reportable spills – hydrocarbon	count	2	2	2	1	**1**	306-3	EM-EP-160a.2	S-1
Total volume of reportable spills – non-hydrocarbon	m^3	26	110	766	65	**6**	306-3	EM-EP-160a.2	S-1
Count of reportable spills – non-hydrocarbon	count	2	6	3	2	**3**	306-3		S-1
Total volume of hydrocarbon recovered	m^3	-	-	-	-	**-**	306-3	EM-EP-160a.2	S-4
Reportable spill intensity	m^3 of volume released per 106 m^3 OE Total Production	1.78	6.92	39.8	3.05	**0.28**	306-3		

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Air Quality & Waste Management									
NO_x emissions	tonnes	846	797	990	989	**1,022**	305-7	EM-EP-120a.1	AQ-1
NO_x emissions intensity of oil production	kg/bbl	0.027	0.028	0.029	0.028	**0.028**	305-7		
SO_2 emissions	tonnes	845	709	582	545.15	**441**	305-7	EM-EP-120a.1	AQ-2
SO_2 emissions intensity of oil production	kg/bbl	0.025	0.023	0.017	0.016	**0.012**	305-7	EM-EP-120a.1	
VOC emissions	tonnes	102	89	99	160	**90**	305-7	EM-EP-120a.1	AQ-3
VOC emissions intensity of oil production	kg/bbl	0.003	0.003	0.003	0.005	**0.002**	305-7		
Total Particulate Matter	tonnes	54	83	85	82	**80**	305-7	EM-EP-120a.1	
Total Particulate Matter intensity of oil production	kg/bbl	0.002	0.003	0.002	0.002	**0.002**	305-7		
Particulate Matter (PM_{10})	tonnes	39	46	49	48	**47**	305-7	EM-EP-120a.1	
Flared gas	e^3m^3	1,598	958	1,100	2,253	**1,658**	305-7		AQ-4
Vented gas	e^3m^3	55	30	332	148	**45**	305-7		AQ-5

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Health & Safety									
Total Recordable Incident Rate (TRIR)	# per 200,000 hours worked	0.26	0.22	0.31	0.46	**0.39**	403-9	EM-EP-320a.1	HS-1, HS-2
Total Recordable Injury Frequency Rate (TRIFR) – employees	# per 200,000 hours worked	0	0.26	0.21	0	**0.19**	403-9		
Total Recordable Injury Frequency Rate (TRIFR) – contractors	# per 200,000 hours worked	0.3	0.2	0.37	0.69	**0.48**	403-9		
Lost-time injury frequency:									HS-3
(a) employee	# per 200,000 hours worked	0	0	0	0	**0**	403-9	EM-EP-320a.1	
(b) contractor	# per 200,000 hours worked	0.15	0.2	0	0.1	**0.08**	403-9	EM-EP-320a.1	
(c) short-service employee	# per 200,000 hours worked	-	-	0	0.07	**0**	403-9	EM-EP-320a.1	
Recordable injury frequency:									HS-1
(a) employee	# per 200,000 hours worked	0	0.26	0.21	0	**0.19**	403-9	EM-EP-320a.1	
(b) contractor	# per 200,000 hours worked	0.3	0.2	0.37	0.69	**0.48**	403-9	EM-EP-320a.1	
(c) short-service employee	# per 200,000 hours worked	-	-	0.08	0	**0**	403-9	EM-EP-320a.1	
Fatalities:									
(a) employee	count	0	0	0	0	**0**	403-9	EM-EP-320a.1	
(b) contractor	count	0	0	0	0	**0**	403-9	EM-EP-320a.1	
(c) short-service employee	count	0	0	0	0	**0**	403-9	EM-EP-320a.1	
Near miss frequency rate:									
(a) employee	rate	26.31	16.01	14.37	3.37	**15.81**	403-9	EM-EP-320a.1	
(b) contractor	rate	5.13	2.95	4.23	0.89	**8.2**	403-9	EM-EP-320a.1	
(c) short-service employee	rate	-	-	-	-	**-**	403-9	EM-EP-320a.1	HS-4

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Critical Incident Risk Management									
Tier 1	# per 200,000 hours worked	0.09	0.22	0.2	0.00	**0.00**			PSM-1
Tier 2	# per 200,000 hours worked	0.09	0.11	0.00	0.00	**0.00**			PSM-2
Indigenous Relations									
Indigenous business spend	$	37,781,190	36,691,668	55,560,079	72,033,676	**94,738,071**			IR-1
Percentage of: *(1) proved* *(2) probable reserves in or near areas of conflict*	%	-	0	0	0	**0**			IR-2
Percentage of: *(1) proved* *(2) probable reserves in or near Indigenous land*	%	-	100	100	100	**100**			IR-3
Number of non-technical delays	count	0	0	0	0	**0**			IR-4
Duration of non-technical delays	days	0	0	0	0	**0**			IR-5

ESG Performance Data Table

Metric	Unit	2019	2020	2021	2022	2023	GRI	SASB	Footnote
Our People									
Number of employees total	count	447	391	410	430	**451**	102-7		
Age by range – 30 years and younger	count	29	24	32	27	**31**	405-1		
Age by range – 30-50 years old	count	316	269	274	291	**302**	405-1		
Age by range – over 50 years old	count	102	98	104	112	**118**	405-1		
Female total	%	21	19	20	21	**21**	102-8; 405-1		
Male total	%	79	81	80	79	**79**	102-8; 405-1		
Women in Management	%	25	27	27	27	**25**	405-1		WF-1
Women in Senior Management	%	25	18	18	10	**13**	405-1		WF-2
Location of employees – office	count	217	188	197	211	**222**	102-7		
Location of employees – field	count	230	203	213	219	**229**	401-1		
New employee hires:	%	9	8	7	11	**14**	401-1		
Female	%	33	33	27	35	**21**	401-1		
Male	%	67	67	73	65	**79**	401-1		
New employee hires age by range – 30 years and younger	%	12	13	24	8	**23**	401-1		
New employee hires age by range – 30-50 years old	%	67	54	62	77	**61**	401-1		
New employee hires age by range – over 50 years old	%	21	33	14	15	**16**	401-1		
Employee turnover rate	%	22	21	4	7	**9**	401-1		
Ratio of permanent to temporary employee contracts		28:1	39:1	26:1	29:1	**32:1**			
Community Investment									
Total contribution to charitable, non-charitable and community groups	$	2,949,918	1,761,263	1,839,959	2,955,717	**3,921,415**			CI-1

Footnotes

A-1 Bitumen production increased approximately 6% in 2023, compared to 2022, reflecting the Corporation's continued focus on short-cycle redevelopment programs, enhanced completion designs, optimized well spacing and targeted facility enhancements.

A-2 MEG only has one asset located at Christina Lake, AB, Canada.

EC-1 The SOR decreased by approximately 4% in 2023 due to the deployment of enhanced completion designs enabling optimal steam placement within the reservoir, execution of the Corporation's 2023 redevelopment plans for infill and re-drilled wells and ramp-up of production from new high-quality well pads.

EC-2 The increase in market capitalization is due to the increase in the Corporation's share price.

EC-3 Further details can be found in Section 15 of Annual 2023 MD&A.

EC-4 Adjusted funds flow decreased in 2023 compared to 2022 mainly due to lower blend sales prices and higher royalties offset by lower interest expense due to reduced debt levels.

EC-5 Higher capital investment in 2023 was driven by increased scope, inflation and timing of field development and turnaround activities.

EC-6 Lower operating costs in 2023 compared to 2022 primarily reflect lower energy operating costs as a result of a weaker AECO natural gas price relative to 2022.

EC-7 Royalties increased compared due to a higher effective royalty rate as a result of reaching post-payout royalty status in the second quarter of 2023.

EC-8 The decrease in net debt to capitalization is primarily due to reduced debt levels as a result of long-term debt repurchases in 2023.

EC-9 Further details can be found in Section 16 of the Annual 2023 MD&A.

GHG-1 Global Warming Potentials from the Fifth Assessment Report (AR5) were applied to 2023 data while AR4 is applied to 2019-2022 data.

GHG-2 Scope 1 totals may not sum due to rounding.

GHG-3 There are no process emissions associated with our operations.

W-1 Surface water withdrawal increased by 15% due to an increase in drilling activities in 2023.

W-2 Non-saline water withdrawal includes non-saline groundwater ((defined by The Alberta Water Act (Ministerial) Regulation as water with total dissolved solids (TDS) content less than 4,000 milligrams per litre (mg/L) and surface water. Non-saline water includes groundwater used for oil production, groundwater used for potable water, and surface water used for industrial purposes such as dust suppression, oil sands exploration activities and drilling activities.

W-3 Non-saline water withdrawals decreased by 7% due to using more produced water which reduced the amount of non-saline make-up water needed.

W-4 Saline water withdrawal increased by 72% primarily due to process issues encountered in early 2023 limiting the use of produced water.

W-5 All water on the surface of the ground, including water in lakes, rivers, streams, wetlands and run-off collection ponds, natural or man-made. This water source is used for industrial purposes such as dust suppression, constructing ice roads and oil sands exploration and drilling activities. This water source is not used for oil production.

W-6 Groundwater is water beneath earth's surface and is present in pore spaces or fractures.

W-7 Calculated in accordance with AER Industry Water Use Report. Recycled water is produced water previously returned from the reservoir and re-injected as a proportion of total make-up water; thus, measuring the ability to re-use produced water within the process. This is a measure of total produced water as a proportion of all non-saline, saline and produced water.

W-8 Produced water is composed mainly of injected steam and water from the reservoir that is produced back along with the bitumen. The majority of water used in our process to generate steam is recycled produced water. The remaining water (termed make-up water which includes saline and non-saline groundwater) comes from water sources located deep underground. These water sources are unsuitable for human consumption or for agricultural purposes.

W-9 MEG does not discharge produced water to the environment. All industrial runoff (i.e. resulting from precipitation) and surface water collected from developed sites must be tested prior to releasing to the surface environment in accordance with MEG's Environmental Operating Approval, the Water Act and the AER's Storage Requirements for the Upstream Petroleum Industry. These requirements ensure that relevant discharge criteria are met and no visible hydrocarbon sheen is present.

W-10 Saline make-up water withdrawal increased by 72%. Saline water use increased from 2022 because at the start of 2023, produced water rates were down due to fouling in the spiral exchangers, AF media changes, and high turbidity in the production causing issues with produced water treating in the hot lime softeners.

W-11 Non-saline make-up withdrawal decreased by 12% due to using more produced water which reduced the amount of non-saline make-up water needed.

W-12 Total make up water intensity decreased by 15% – we are using more produced water which reduced the amount of make-up water needed. Non- saline make up water intensity decreased by 17% – we are using more produced water which reduced the amount of non-saline make-up water needed.

LB-1 MEG's Active Commercial Footprint per the 2023 Conservation and Reclamation Annual Report, reported to the Alberta Energy Regulator on an annual basis. The Commercial Footprint is derived from total of all hectares that are considered under construction and operational under MEG's EPEA approval.

LB-2 Inclusive of all areas that are under reclamation, meaning that no more work is required and the sites are revegetating in anticipation of applying for a reclamation certificate when the vegetation is sufficiently established. Hectares are moved to being considered permanently reclaimed after inspection and assessment of revegetation confirmation that the cover of native herbaceous and woody species exceed ground cover requirements, woody species meets stem count requirements in forested and peatland reclaimed disturbances, the cover of mosses meets reclamation criteria for peatlands, and noxious weeds are controlled. Hectares of land that have been moved to "Permanently Reclaimed" status are deducted from this number.

Footnotes

LB-3 Includes the cumulative hectares of caribou habitat created by linear disturbance restoration implementation. Per the Federal Recovery Strategy for the Woodland Caribou, land within 500 metres of an anthropogenic disturbance is considered a disturbed area when pertaining to caribou use. Conversely, whenever a linear disturbance is restored, the area within 500 metres on both side of the restored area are then considered as restored caribou habitat. This is how the hectares of restored caribou habitat is calculated along each kilometre of restored linear disturbances on the landscape.

LB-4 Cumulative annual spend on caribou restoration, commencing with the 2017 spend; inclusive of planning, procurement, execution, reporting, and monitoring. This spend reflects both funding from MEG and federal government grants. Per MEG's ESG commitments, MEG will continue to spend a minimum of $300k per year towards our caribou restoration program.

LB-5 Calculated by reporting how much of our commercial footprint is within the East Side Athabasca River caribou range, including an application of a 500 metre buffer around all disturbances per the Canadian Federal Recovery Strategy for the Woodland Caribou. Proven and Probable reserves do not necessarily dictate the surface disturbance locations of in-situ oil sands industrial activity, so MEG has calculated this metric using the actual surface commercial footprint of our industrial site.

S-1 Includes spills that met the reporting threshold of a regulatory agency. A reportable spill does not indicate that the released material entered the environment or caused adverse effects.

S-2 The majority of spills that do occur are small volume, non-regulatory reportable releases with no potential for adverse environmental impacts. MEG responds to all spills immediately with the goal of containing and initially recovering as much free product as possible.

S-3 Totals may not sum due to rounding.

S-4 When a spill is identified, we respond promptly, using appropriate containment and clean up measures to mitigate any potential impact. We do not currently track volumes of hydrocarbon recovered.

AQ-1 NO_x emissions increased by 3% – in line with expectations, we had higher production in 2023.

AQ-2 SO_2 emissions decreased by 19% due to additional sulfur treating capacity.

AQ-3 VOC emissions decreased by 43% in 2023 due to leak repairs and facility process upgrades that reduced flared and vented volumes.

AQ-4 Flared gas decreased by 26% in 2023 as a result of facility process upgrades.

AQ-5 Vent volume decreased by 70% in 2023 as a result of facility process upgrades.

HS-1 We continued our efforts to improve health and safety performance at our worksites and at home. 2023 marks a year with zero employee recordable or Lost Time Injuries. The 2023 Contractor Total Recordable Incident Frequency (TRIF) reflects a total of six medical aid incidents and one lost time occurrence. A detailed investigation and corrective actions were completed for each case.

HS-2 TRIR and TRIFR calculated by identifying the number of incidents multiplied by 200,000 manhours divided by total number of exposure hours.

HS-3 The LTIF reflects one incident where a worker slipped on ice and fell on the same level, resulting in a broken leg. The decrease from 2022 reflects an increase in exposure hours.

HS-4 MEG encourages reporting near misses of any severity from our workforce.

PSM-1 Year-over-year no change to the Tier 1/2 LOPC count.

PSM-2 Actual and potential serious process safety events are reviewed monthly by the H&S committee. MEG has formal incident sharing which has improved communication and learnings from both process and health and safety events.

PSM-3 MEG no longer tracks SIF metrics.

IR-1 Indigenous business spend is calculated by taking the sum of MEG's gross spend with: a) community member-owned business – defined as business owned in whole or in part by an individual who self-identifies as Indigenous; plus b) community-owned business – defined as business owned in whole or in part by an Indigenous community; plus c) joint venture partnership – defined as an Indigenous business entering into a partnership with an individual self-identifying as Indigenous or with an Indigenous community. In 2023, our Indigenous business spend increased approximately 35% due to overall increased expenditures and enhanced economic participation and engagement. We also improved our internal business identification and tracking process to ensure more Indigenous businesses were accounted for in our spend.

IR-2 CLRP is not operating in an area of active conflict.

IR-3 The metrics above reflect targeted outcomes by strengthening long term relationships with Indigenous peoples and communities founded in respect and trust. This was evidenced through meeting our 2021 objective of all MEG employees participating in Indigenous Awareness training by the end of Q1 2022. This is also evidenced through Indigenous business participation growth in 2022 and 2023.

IR-4 There were no non-technical delays in 2023.

IR-5 There were no non-technical delays in 2023.

WF-1 Management workforce includes employee workforce in the following management levels: Manager, Director, VP, SVP and C-Suite.

WF-2 Senior Management workforce includes employee workforce in the following management levels: Director, VP, SVP and C-Suite.

CI-1 Includes Community engagement, corporate donations, corporate matches to employee donations through MEGMatch, and grants through MEGVolunteers.

Glossary of Terms and Abbreviations

Term/Abbreviations	Definition
ABC	Area Based Closure (ABC) is a voluntary, collaborative initiative designed to encourage timely and efficient movement of inactive oil and natural gas infrastructure through the closure process, from abandonment to reclamation certification
AER	Alberta Energy Regulator
API	American Petroleum Institute
bbls	Barrels of petroleum product. Also often expressed as bpd for barrels per day.
Bitumen	A naturally occurring viscous mixture consisting mainly of pentanes and heavier hydrocarbons. Its viscosity is greater than 10,000 milliPascal seconds (centipoise) measured at original temperature in the reservoir and atmospheric pressure, on a gas-free basis. Crude bitumen may contain sulphur and other non-hydrocarbon compounds.
Bitumen Intensity	Greenhouse gas emissions per barrel of bitumen produced (reported in kg CO_2e/bbl)
Board or Board of Directors	The Board of Directors of the Corporation
Christina Lake Project, Christina Lake Regional Project, CLRP	MEG's in situ thermal energy project located in the Province of Alberta as described in greater detail under the heading "Christina Lake Project"
CDP	Carbon Disclosure Project
Cogeneration	A process that uses heat generated from clean burning natural gas to produce both steam and electricity. MEG uses the steam and a portion of the electricity generated in its operations and sells the excess power to the Alberta grid
Diluent	Lighter viscosity petroleum products that are used to dilute bitumen for transportation in pipelines
Diverse Person	Includes, but is not limited to, women, racialized people, Indigenous people, individuals who identify as LGBTQ2S+, and people with disabilities
ESG	Environmental, Social, and Governance
ERM	Enterprise Risk Management
Fresh Water	Any surface water (e.g., lakes, rivers, streams and wetlands) or shallow groundwater from aquifers less than 150m deep. This is consistent with the definition of high-quality non saline water (fresh water) used by the Alberta Energy Regulator in Directive 81.
GHG	Greenhouse gas
Groundwater	Water beneath earth's surface and is present in pore spaces or fractures
In situ	"In place" and, when referring to oil sands, means a process for recovering bitumen from oil sands by means other than surface mining, such as SAGD
LTIF	Lost Time Injury Frequency
Management	The executive officers of the Corporation (as a noun) (as per AIF)
McMurray Formation	A succession of sands and shale deposited in a fluvial estuarine environment that developed into a major valley that was cut into Devonian-aged limestone within the Cretaceous-aged Mannville Group
MW	Megawatt. A unit of electrical power to measure the generating capability of a generating station, 1 million Watts equal 1 MW.

Glossary of Terms and Abbreviations

Term/Abbreviations	Definition
NO_2	Nitrogen Dioxide
Non-Saline Water	Water having total dissolved solids content of 4,000 mg/L or less
NO_x	Nitrogen Oxides. NO_x is produced from the reaction of nitrogen and oxygen gases in the air during combustion
Oil Sands	Deposits containing a mixture of bitumen, sand and water
Phase 2B	The third phase of the Corporation's Christina Lake Project which commenced production in 2013 with an initial bitumen production design capacity of approximately 35,000 bbls/d
PM	Particulate Matter (PM) is made of solid particles and liquid droplets in the air
Probable reserves	Are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.
Produced Gas	Gas that is produced from the reservoir through the bitumen production process
Produced Water Recycle	Proportion of the water that is produced in association with hydrocarbon production and is recycled for the purpose of re-injection and further bitumen recovery
PSE	Process Safety Events
PSM	Process Safety Management
Reclamation	The return of disturbed surface land forms and vegetation to a state similar to that before industrial activity took place
Reserves	Are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.
Recycled water	Water that is reused within the facility for more than one purpose. See produced water recycle.
Reservoir	A subsurface body of rock having sufficient porosity and permeability to store and transmit fluids
RIF	Recordable Injury Frequency
Saline Water	The Alberta Water Act (Ministerial) Regulation defines saline groundwater as water with total dissolved solids (TDS) content exceeding 4,000 mg/L. Also referred to as brackish water.
SAGD	Steam Assisted Gravity Drainage, an in situ process used to recover bitumen from oil sands
SIF	Serious Incident Frequency
SO_2	Sulfur dioxide. SO_2 is a colourless gas or liquid with a strong, choking odor. It is produced from the burning of fossil fuels (coal and oil).

Glossary of Terms and Abbreviations

Term/Abbreviations	Definition
Steam to Oil Ratio (SOR)	The ratio of steam required to produce bitumen in equivalent units
Surface Water	All water on the surface of the ground, including water in lakes, rivers, streams, wetlands and run-off collection ponds, natural or man-made. Note: surface water can be saline (TDS > 4,000 mg/L).
Sweet Natural Gas	Natural gas (primarily methane) that contains very little or no hydrogen sulphide
TRIF	Total Recordable Incident Frequency
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
VOC	Volatile Organic Compounds are compounds that have a high vapor pressure and low water solubility
$	Dollars (Canadian)
bbl	Barrel
bbls	Barrels
bbls/d	barrels per day
boe	barrels of oil equivalent (on the basis of one boe being equal to one barrel of oil or six Mcf of natural gas)
CH_4	methane
CO_2e	carbon dioxide equivalents
OE	oil equivalent
M$	thousand dollars (Canadian)
Mbbls	thousand barrels
Mbbls/d	thousand barrels per day
Mcf	thousand cubic feet
MM$	million dollars (Canadian)
MMbbls	million barrels
MMbbls/d	million barrels per day
MWh	mega-watt hour
Tcf	trillion cubic feet
VOC	Volatile Organic Compound

Forward-Looking Information

This report contains forward-looking information within the meaning of applicable securities laws. This forward-looking information is identified by words such as "anticipate", "believe", "could", "drive", "expect", "estimate", "focus", "forward", "future", "may", "on track", "outlook", "plan", "position", "potential", "priority", "should", "strategy", "target", "will", "would" or similar expressions and includes statements about future outcomes and priorities, including but not limited to: the Corporation's commitment to supplying the world with affordable, secure energy, produced safely and reliably, while addressing the needs and concerns of the Corporation's stakeholders; the Corporation's intent to drive meaningful progress on environmental stewardship, execution of its safety leadership program and the creation of a culture of inclusion and safety; and the Corporation's commitment to building strong relationships with Indigenous and local communities.

Such forward-looking information is based on management's expectations and assumptions regarding, among other things, future growth, results of operations, production, future crude oil, bitumen blend, natural gas, electricity, condensate and other diluent prices, differentials, the level of apportionment on the Enbridge mainline system, foreign exchange rates and interest rates; the recoverability of the Corporation's reserves and contingent resources; the Corporation's ability to produce and market production of bitumen blend successfully to customers; future capital and other expenditures; revenues, expenses and cash flow; operating costs; reliability; anticipated sources of funding for operations and capital investments; plans for and results of drilling activity; the regulatory framework governing royalties, land use, taxes and environmental matters, including federal and provincial climate change policies, in which the Corporation conducts and will conduct its business; the impact of shifting societal attitudes to climate change and ongoing development of fossil fuels; and business prospects and opportunities. Such forward-looking information and assumptions are based on management's current beliefs and information currently available.

By its nature, such forward-looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks and uncertainties include, but are not limited to, risks and uncertainties related to the impact of general economic conditions (domestic and global); enacted and proposed export and import restrictions, including but not limited to tariffs, export taxes or curtailment on exports; general oil and gas industry conditions; governmental regulation; the securing of adequate access to markets and transportation infrastructure; the availability of capacity on the electricity transmission grid; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to production, costs and revenues; health, safety and environmental risks, including public health crises, and any related actions taken by governments and businesses; legislative and regulatory changes to, amongst other things, tax, land use, royalty and environmental laws; the cost of compliance with current and future environmental laws, including climate change laws; risks relating to increased activism and public opposition to fossil fuels; assumptions regarding and the volatility of commodity prices, interest rates and foreign exchange rates; commodity price, interest rate and foreign exchange rate swap contracts and/ or derivative financial instruments that the Corporation may enter into from time to time to manage its risks related to such prices and rates; timing of completion, commissioning, and start-up, of the Corporation's turnarounds; the operational risks and delays in the development, exploration, production, and the capacities and performance associated with the Corporation's projects; the Corporation's ability to reduce or increase production to desired levels, including without negative impacts to its assets; the Corporation's ability to finance sustaining capital expenditures; the Corporation's ability to maintain sufficient liquidity to sustain operations through a prolonged market downturn; changes in credit ratings applicable to the Corporation or any of its securities and changes in general economic, market and business conditions. Although the Corporation believes that the assumptions used in such forward-looking information are reasonable, there can be no assurance that such assumptions will be correct. Accordingly, readers are cautioned that the actual results achieved may vary from the forward-looking information provided herein and that the variations may be material. Readers are also cautioned that the foregoing list of assumptions, risks and factors is not exhaustive. Further information regarding the assumptions and risks inherent in the making of forward-looking statements can be found in the Corporation's Annual Information Form ("AIF") and Management's Discussion and Analysis ("MD&A"). Copies of the AIF and the MD&A are available through the SEDAR+ website at www.sedarplus.ca. The forward-looking information included in this report is expressly qualified in its entirety by the foregoing cautionary statements. Unless otherwise stated, the forward-looking information included in this report is made as of the date of this report and the Corporation assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.