



## Water 2016 Information Request Husky Energy Inc.

### Module: Introduction

### Page: W0. Introduction

#### W0.1 Introduction

Please give a general description and introduction to your organization.

Husky Energy is one of Canada's largest integrated energy companies. It is based in Calgary, Alberta, Canada 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 with Upstream and Downstream business segments.

#### W0.2 Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported
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Thu 01 Jan 2015 - Thu 31 Dec 2015
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#### W0.3 Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

#### W0.4 Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

#### W0.4a

**Exclusions**

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Asia Pacific Operations	Water data for this region is not currently consolidated at the corporate level. 2015 water uses were relatively minor.
Retail Operations	Retail operations are a mix of corporate and franchised locations. Water use (eg car washes) is not tracked.
Rainwater, domestic use	These sources are not consistently tracked. Domestic water use at field facilities is tracked, but is not included herein for the purpose of consistency.

**Further Information**

Certain statements in this document are forward-looking statements and information (collectively “forward-looking statements”), within the meaning of the applicable Canadian securities legislation, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. The forward-looking statements contained in this document are forward-looking and not historical facts. Some of the forward-looking statements may be identified by statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “is targeting”, “estimated”, “intend”, “plan”, “projection”, “could”, “aim”, “vision”, “goals”, “objective”, “target”, “schedules” and “outlook”). In particular, forward-looking statements in this document include, but are not limited to, references to: the Company’s general strategic plans; proportion of financial value that could be affected by water risks that could generate a substantive change in the Company’s business, operations, revenue, or expenditure; anticipated time frame, likelihood, magnitude of potential financial impact, planned response strategy, and anticipated costs of response strategy for inherent water risks that could generate a substantive change in the Company’s business, operations, revenue, or expenditure; anticipated opportunities presented to the Company by water, and strategies and estimated time frame to realize such opportunities; and the Company’s quantitative and qualitative goals related to water. Although the Company believes that the expectations reflected by the forward-looking statements presented in this document are reasonable, the Company’s forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources. Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to Husky. The Company’s Annual Information Form for the year ended December 31, 2015 and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedar.com](http://www.sedar.com) and the EDGAR website [www.sec.gov](http://www.sec.gov)) describe risks, material assumptions and other factors that could influence actual results and are incorporated herein by reference. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable securities laws, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company’s course of action would depend upon its assessment of the future considering all information then available. All currency is expressed in Canadian dollars unless otherwise indicated.

**Module: Current State****Page: W1. Context****W1.1**

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important	Good quality freshwater is an integral part of Husky's onshore operations and facilities. Potable water is vital for all of Husky's manned facilities which are associated with a large proportion of operations.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital for operations	Important	Water is used in a variety of processes employed by Husky including offshore and onshore production, refining, upgrading, etc. These form a large proportion of operations.

**W1.2**

**For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not**

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	Husky's Environmental Performance Reporting System (EPRS) tracks water withdrawals for compliance, corporate reporting and to inform water management. Produced water volumes are tracked in Husky's Production Volume Reporting (PVR) system.
Water withdrawals- volume by sources	76-100	EPRS tracks volumes for each water source.
Water discharges- total volumes	76-100	EPRS tracks water discharges for corporate reporting and to inform water management. These include water discharges to surface water bodies and deep well disposal.
Water discharges- volume by destination	76-100	EPRS tracks volumes for each water discharge.
Water discharges- volume by treatment method	76-100	EPRS tracks volumes for each water discharge.
Water discharge quality data-quality by standard effluent parameters	76-100	Husky has only several facilities that discharge water to surface water. These facilities manage water data quality according to their regulatory requirements.
Water consumption- total volume	76-100	Water data for withdrawals and discharge are tracked in EPRS and PVR. These are used to determine water consumption.
Facilities providing fully-functioning WASH services for all workers	76-100	Husky provides Water, Sanitation, and Hygiene (WASH) services for all workers, in accordance with Occupational Health and Safety requirements in all of its operating areas.

**W1.2a**

**Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations**

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	21642	Higher	Freshwater withdrawals increased due to startup of two thermal projects
Brackish surface water/seawater	18664	Higher	This is within the expected variability for cooling water requirements at the SeaRose FPSO.

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Rainwater	0	Not applicable	Husky does not consistently track this metric. Minor uses from surface collection ponds, particularly for use in construction, drilling, and completions operations, are included in the "Fresh surface water metric".
Groundwater - renewable	3564	About the same	No change. Groundwater is obtained from aquifers at depths ranging from 4 m to 650 m, with varying water quality from fresh to saline. Due to the variation in definition of renewable versus non-renewable groundwater sources, all groundwater withdrawals are reported as renewable.
Groundwater - non-renewable	0	Not applicable	No change. Groundwater is obtained from aquifers at depths ranging from 4 m to 650 m, with varying water quality from fresh to saline. Due to the variation in definition of renewable versus non-renewable groundwater sources, all groundwater withdrawals are reported as renewable.
Produced/process water	115425	About the same	No change. This metric includes produced water that is reinjected for production, and produced water that is sent for deep well disposal.
Municipal supply	0	Not applicable	Husky does not consistently track this metric. Where tracked, volumes are included in the "Fresh surface water metric".
Wastewater from another organization	2121	Much higher	Process affected water – water that was already utilized by a third party oilsands operator – was used by Husky in the ramp up of the Sunrise Energy Project. Sunrise will continue to use this source throughout the life of the project.
Total	161416	About the same	No Change

**W1.2b**

**Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations**

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	4442	Lower	This is within expected operational ranges for the Lima Refinery.
Brackish surface water/seawater	14538	Higher	This is within the expected variability for cooling water requirements at the SeaRose FPSO
Groundwater	60366	About the same	No change
Municipal/industrial wastewater treatment plant	0	Not applicable	Husky does not consistently track this metric; volumes are not significant relative to other discharge volumes.
Wastewater for another organization	0	Not applicable	Husky does not consistently track this metric; volumes are not significant relative to other discharge volumes.
Total	79346	About the same	No change

**W1.2c**

**Water consumption: for the reporting year, please provide total water consumption data, across your operations**

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
96009	About the same	This number is calculated as: (fresh water withdrawals + brackish water withdrawals + wastewater withdrawals from other companies + deep well disposal volumes + offshore produced water discharged to surface) – (fresh and brackish water discharged to surface)

**W1.3**  
Do you request your suppliers to report on their water use, risks and/or management?

No

**W1.3b**  
Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Important but not an immediate business priority	Husky recognizes the importance of supplier water use and risk management. Time and resources are currently focused on managing the Company's direct water use and risks. Husky includes water used by third party contractors at drilling and completion sites in its water totals, and includes it in risk considerations.

**W1.4**  
Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

**W1.4a**  
Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
United States of America	Other: Maumee River Watershed	Phys-Flooding Reg-Regulation of discharge quality/volumes leading to higher compliance costs	Fines/ penalties	In 2015 the Lima Refinery was assessed \$4000 USD in penalties for exceedances to its EPA National Pollution Discharge Elimination System Water Permit relating to a high rainfall event. The penalties were for two instances where discharged water did not meet quality standards..	Single year.	\$4000 USD in penalties	Greater due diligence Other: Reassess stormwater management system	Increased efforts to ensure stormwater runoff collected in impoundments meets quality standards.

**Further Information**

## Module: Risk Assessment

### Page: W2. Procedures and Requirements

#### W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

#### W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Water risk assessment undertaken independently of other risk assessments	Direct operations	All facilities	Husky conducts a preliminary assessment of water-related risks for all of its operations in Q1 of each year. Facilities deemed to be potentially at higher risk are prioritized for a more detailed water risk assessment, in accordance with the Company's Corporate Water Standard and Water Risk Assessment Procedure.

#### W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	Country	>6 years	Husky conducts a preliminary assessment of water-related risks for all of its operations in Q1 of each year.
Sporadically not defined	Facility	>6 years	Facility-scale water risk assessments are prioritized based the screening level assessment described above. Each risk assessment is followed by development of a water management plan. The water management plan defines a schedule for the risk assessment to be revisited. This schedule will vary depending on the facility.

#### W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 10 years

#### W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

Risks are evaluated using a risk matrix. The risk matrix includes environmental, reputational, financial, legal, regulatory, and health and safety aspects. Material water-related risks are captured in Husky's corporate risk register.

**W2.5**

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge IPIECA Global Water Tool for Oil & Gas Regional government databases WRI Aqueduct Other: Husky corporate risk assessment process	Corporate-level risk assessment follows the risk assessment process. Facility-level water risk assessments further use Company expertise and regional-scale government data to elaborate on local water risks. The IPIECA Tool (and other tools) were chosen to help define the scope and highlight important factors to include in both corporate and facility-level risk assessments.

**W2.6**

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	These aspects are subject to regulatory scrutiny in Husky's operating areas, and are considered in risk assessments. For example, detailed historical water quality data has been collected in cases where risks depend on these factors.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Regulatory aspects, including tariffs, are one of the fundamental criteria evaluated in risk assessments.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	Stakeholder values and concerns (including conflicts) are included in risk assessments. Interviews are conducted with staff at an operational level, as well as in departments such as Aboriginal and Community Relations.
Current implications of water on your key commodities/raw materials	Not evaluated	Implications of water on key commodities/raw materials are not evaluated in detail. Husky manages water aspects of third party services at its sites (for example, on drilling and completions operations).
Current status of ecosystems and habitats at a local level	Relevant, included	Biophysical context for operations is included in risk assessments (for example, impacts to riparian environments related to water use.)
Current river basin management plans	Relevant, included	Watershed management plans, where available, are included in risk assessments. Such plans are widely available in Alberta, where many of the Company's onshore upstream operations are located.
Current access to fully-functioning WASH services for all employees	Relevant, 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.
Estimates of future changes in water availability at a local level	Relevant, included	Availability and reliability of water at a local level are included in risk assessments. For example, Husky has undertaken detailed modelling of expected flows at some of its facilities, taking into account seasonal variability.

Issues	Choose option	Please explain
Estimates of future potential regulatory changes at a local level	Relevant, included	The potential for regulatory changes at a local, provincial or federal level are included in risk assessments. 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.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	Stakeholder issues (including the potential for conflict) are included in risk assessments. Risk assessments also include how these concerns may change over time, particularly when considering new projects. Interviews are conducted with staff at an operational level, as well as in departments such as Aboriginal and Community Relations.
Estimates of future implications of water on your key commodities/raw materials	Not evaluated	Implications of water on key commodities/raw materials are not evaluated in detail. It is noted Husky manages water used by third parties at its sites, for example in drilling and completion operations.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, not yet included	Biophysical context for operations is included in risk assessments. Numerous variables (not all of which are in the Company's control) affect how this context will change over time, and as such these potential future scenarios are not included in Husky's risk assessment at this time.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	This is typically required to obtain water licensing in Husky's onshore operating areas.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	The potential for regulatory changes at a local, provincial or federal level are included in Husky's risk assessments. The Company 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.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	Stakeholder issues are included in Husky's risk assessments. Risk assessments also include how stakeholder views may change over time, particularly when considering new projects. This assessment includes consideration of different scenarios, which are each evaluated for their potential impact on operations.
Scenario analysis of implications of water on your key commodities/raw materials	Not evaluated	Implications of water on Husky's key commodities/raw materials are not evaluated in detail.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, not yet included	Husky considers potential changes in the status of ecosystems and habitats at a local level when they relate to the water management aspect being considered. The Company invests in research to better understand how ecosystems and habitats may change over time.
Other		

**W2.7**

**Which of the following stakeholders are always factored into your organization's water risk assessments?**

Stakeholder	Choose option	Please explain
Customers	Not evaluated	Customers are not an influencer of the Company's water risk.



Stakeholder	Choose option	Please explain
Employees	Relevant, included	The perspective of employees provides local knowledge and operational expertise when conducting risk assessments.
Investors	Relevant, included	The perspective of investors is a consideration when conducting risk assessments.
Local communities	Relevant, included	Local communities 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.
NGOs	Relevant, included	NGOs may be influencers of 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.
Other water users at a local level	Relevant, 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).
Regulators	Relevant, included	Regulators may be influencers of water risk, particularly through regulating access to source and disposal options.
River basin management authorities	Relevant, 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.
Statutory special interest groups at a local level	Relevant, included	Local special interest groups 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.
Suppliers	Relevant, not yet included	Husky understands that suppliers may be vulnerable to water risk. To date this has not been judged a substantive risk and as such has not been evaluated in detail. Husky manages water aspects of third party services at its sites (for example, on drilling and completions operations).
Water utilities/suppliers at a local level	Relevant, included	Where water is supplied via a third party (such as a utility), these entities may be key influencers of The Company's water risk.
Other		

#### Further Information

### Module: Implications

#### Page: W3. Water Risks

##### W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations only

##### W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

Husky's enterprise risk management program supports decision-making via comprehensive and systematic identification and assessment of risks that could materially impact the results of the Company. 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 having a financial impact of greater than ten (10) million dollars. The corporate risk register is revisited on at least an annual basis, while the matrix is evaluated every three years.

### W3.2a

Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
Canada	Other: Atlantic Ocean	1	11-20	Proportion of total operations based on % global production capacity
Canada	Other: North Saskatchewan River Watershed	6	11-20	Proportion of total operations based on % global production capacity
United States of America	Other: Ohio - Maumee River Watershed	1	71-80	Proportion of total operations based on % global refinery throughput.
Canada	Other: Athabasca River Watershed	1	1-5	Proportion of total operations based on % global production capacity. The Sunrise Energy Project started steaming in 2014, with oil production commencing in 2015.

### W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
Canada	Other: Atlantic Ocean	% global production capacity	11-20	
Canada	Other: North Saskatchewan River Watershed	% global production capacity	11-20	
United States of America	Other: Ohio - Maumee River Watershed	Other: % global refinery throughput	71-80	
Canada	Other: Athabasca River Watershed	% global production capacity	1-5	The Sunrise Energy Project started steaming in 2014, with oil production commencing in 2015.

### W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Canada	Other: Atlantic Ocean	Other: Physical - ice and icebergs	Closure of operations	The potential consequences of a severe weather or iceberg-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 below, financial implications of a severe event could be greater than \$10 million.	Current-up to 1 year	Unlikely	High	Other: Annual monitoring and management	Medium	Husky has an ice management program that includes ice surveillance aircraft. Regular surveillance flights commence in February and continue until the threat has abated. Husky employs support vessels to actively manage ice and icebergs. These vessels are equipped with tools including towing ropes and nets and water cannons. The Company maintains ad-hoc relationships with contractors, allowing the quick mobilization of additional resources. It spends an average of \$13.5 million per year on the ice management program.

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
Canada	Other: Saskatchewan: North Saskatchewan River Basin	Regulatory-Mandatory water efficiency, conservation, recycling or process standards	Higher operating costs	Potential for increased water recycling requirement in Saskatchewan.	Unknown	Unknown	Medium-high	Engagement with public policy makers Infrastructure investment	Medium-high	Preparing for possible changes to regulation by (1) engaging with regulators to anticipate planned changes; (2) evaluating water risk at the facility level for all of the heavy oil operations; (3) improved characterization of produced water and research of water recycling technology.
United States of America	Other: Maumee River Watershed	Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs	Higher operating costs	Increased regulatory requirements relating to discharge	1-3 years	Probable	Medium-high	Infrastructure investment	medium-high	Evaluated additional water treatment infrastructure to ensure this risk is addressed through treatment and/or reduction of effluent streams.
Canada	Other: Athabasca River Watershed	Physical-Increased water scarcity	Higher operating costs	Potential for change by neighbouring operator to affect access to water at the Sunrise Energy Project.	Unknown	Unlikely	High	Engagement with other stakeholders in the river basin Engagement with suppliers	Low	Continue to engage with industry peers on plans, collaborate for mutual benefit

**W3.2f**

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
Other:	Husky regularly addresses its internal water considerations and has no immediate concerns regarding substantive supplier water risks. For example, the Company's supply chain faces risks relating to flooding that may impact operations. These risks are mitigated through the Company's business continuity plan, which provides provisions to minimize business interruption. Husky manages water used by (and therefore the water risks of) third party contractors at its sites (for example, drilling and completion contractors).

#### Further Information

### Page: W4. Water Opportunities

#### W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

#### W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Canada	Carbon management Competitive advantage Cost savings Increased shareholder value Improved water efficiency Innovation R&D Social licence to operate Staff retention	Water sourcing and treatment is a factor in Husky's Oil Sands and Heavy Oil project costs. Husky employs both corporate and Business Unit teams to research technology that could reduce costs for water sourcing, treatment and disposal.	Unknown	There is no timeframe for implementation of technology that would make a substantive change in operations. This will be evaluated on a regular basis.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Other: Canada & United States	Competitive advantage Increased brand value Improved community relations Increased shareholder value Social licence to operate Staff retention	Transparency - Husky issues a Community Report each year which includes water metrics and discussion on water management. The Company also communicates to stakeholders through townhall and individual meetings.	1-3 years	
Other: Canada & United States	Cost savings Improved community relations Improved water efficiency Innovation Regulatory changes Social licence to operate	Continued improvement of the Environmental Performance Reporting System (EPRS) – Water Module. Through EPRS, Husky systematically gathers, calculates, and reports data relating to environmental performance. The water module enables Husky to track water usage trends, and aids in the identification and prioritization of opportunities for water use reduction and recycling in its operations.	1-3 years	
Canada	Cost savings Improved water efficiency Innovation Regulatory changes R&D Social licence to operate Staff retention	Collaboration on water technology projects through the Petroleum Technology Alliance of Canada (PTAC) and the Canadian Oil Sands Innovation Alliance (COSIA) (e.g. the Water Technology Development Centre).	1-3 years	

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Other: Canada - Alberta	Competitive advantage Cost savings Improved community relations Increased shareholder value Regulatory changes Social licence to operate	Creating a comprehensive wetland database to enable future cost reductions associated with wetland compensation under the Alberta Wetland Policy.	>6 years	
Canada	Improved community relations Social licence to operate	Developed corporate risk assessment and planning procedure for water course crossings. This procedure is expected to provide for increased environmental protection.	1-3 years	
Canada	Cost savings Improved water efficiency	Water recycle during drilling.	Current-up to 1 year	
Canada	Improved community relations Regulatory changes Social licence to operate	Husky is on the North Saskatchewan Watershed Alliance's (NSWA) Board of Directors as the Petroleum Representative. NSWA supports stakeholder and public discussions concerning all aspects of Integrated Watershed Management for the North Saskatchewan River watershed in Alberta.	1-3 years	
Canada	Cost savings Improved water efficiency Social licence to operate	Use of flowback water and produced water in hydraulic fracturing operations, from both Husky and neighbouring operations. Husky has conducted pilot programs and works to identify and realize opportunities for effective and appropriate management and reuse of produced and flowback waters.	1-3 years	

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Canada	Cost savings Improved community relations Improved water efficiency Regulatory changes Social licence to operate	Work to mitigate regulatory barriers to the efficient use of lower quality water sources at a major facility through communication with regulatory authorities and demonstration of issues using operational data.	Current-up to 1 year	
Other: Canada & United States	Cost savings Increased shareholder value Improved water efficiency Innovation R&D	Creation of an internal water technical competency group to share issues and solutions across the Company.	Current-up to 1 year	

#### Further Information

### Module: Accounting

#### Page: W5. Facility Level Water Accounting (I)

##### W5.1

**Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	Canada	Other: Atlantic Ocean	Sea Rose	22979	Higher	Produced water has been included as a water withdrawal. Despite greater total water withdrawal, consumption at SeaRose decreased in 2015.
Facility 2	Canada	Other: North Saskatchewan River	Bolney	6788	Higher	Produced water has been included as a water withdrawal. Fresh water withdrawal increased at this thermal project, due to variations that are a function of reservoir characteristics and project stage.



Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 3	Canada	Other: North Saskatchewan River	Pikes Peak	3308	About the same	Produced water has been included as a water withdrawal. No significant change from 2014.
Facility 4	Canada	Other: North Saskatchewan River	Pikes Peak South	3840	About the same	Produced water has been included as a water withdrawal. No significant change from 2014.
Facility 5	Canada	Other: North Saskatchewan River	Paradise Hill	1589	About the same	Produced water has been included as a water withdrawal. No significant change from 2014.
Facility 6	Canada	Other: North Saskatchewan River	Rush Lake	2010	Higher	Water withdrawals increased in 2015 because it was the first year of operation at this project. Oil production also increased. Produced water has been included as a water withdrawal.
Facility 7	Canada	Other: North Saskatchewan River	Sandall	1420	Higher	Water withdrawals increased at this in situ thermal project, due to variations that are a function of reservoir characteristics and project stage. Oil production also increased. Produced water has been included as a water withdrawal.
Facility 8	United States of America	Other: Maumee River	Lima Refinery	6463	About the same	No significant change
Facility 9	Canada	Other: Athabasca River	Sunrise Energy Project	3083	Much higher	Water withdrawals increased in 2015 because it was the first year of operation at Sunrise. Produced water has been included as a water withdrawal.

#### Further Information

### Page: W5. Facility Level Water Accounting (II)

#### W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
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Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1		18663				4316			All produced water passing regulatory criteria is discharged to the sea.
Facility 2	3341					3447			All produced water from this facility goes to deep well disposal.
Facility 3	1678					1630			All produced water from this facility goes to deep well disposal.
Facility 4	2236					1603			All produced water from this facility goes to deep well disposal.
Facility 5	937					652			All produced water from this facility goes to deep well disposal.
Facility 6	1385					625			All produced water from this facility goes to deep well disposal.
Facility 7	846					574			All produced water from this facility goes to deep well disposal.
Facility 8	5194			1268					There is no produced water at this facility.
Facility 9	47			373		1611		2121	Most of the produced water at this facility is treated and reused.

**W5.2**

**Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
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Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	14538	Higher	The increase in cooling water requirements in 2015 was within the expected operational range.
Facility 2	4059	About the same	No substantive change. General water volume variations at this thermal project are a function of reservoir characteristics and project stage.
Facility 3	1819	About the same	General water volume variations at this thermal project are a function of reservoir characteristics and project stage.
Facility 4	2156	Higher	General water volume variations at this thermal project are a function of reservoir characteristics and project stage.
Facility 5	952	Higher	General water volume variations at this thermal project are a function of reservoir characteristics and project stage.
Facility 6	1013	Higher	2015 was the first year of operation at this facility. General water volume variations at this thermal project are a function of reservoir characteristics and project stage.
Facility 7	779	Higher	General water volume variations at this thermal project are a function of reservoir characteristics and project stage.
Facility 8	4212	Lower	In 2015 throughput at this facility was reduced.
Facility 9	614	Much higher	2015 was the first year of production at this facility. General water volume variations at this thermal project are a function of reservoir characteristics and project stage.

**W5.2a**

**Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2**

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1			14538			Water discharged to sea includes cooling water and produced water.
Facility 2				4059		
Facility 3				1819		
Facility 4				2156		
Facility 5				952		
Facility 6				1013		
Facility 7				779		
Facility 8	4212					
Facility 9				614		

**W5.3**

**Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a**

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	12757	Lower	In 2015 oil production from SeaRose was reduced. Water consumption similarly decreased. Produced water is included in consumption.
Facility 2	7400	Higher	General water volume variations at this thermal project are a function of reservoir characteristics and project stage. Produced water has been included as consumption.
Facility 3	3497	About the same	No substantive change. General water volume variations at this thermal project are a function of reservoir characteristics and project stage. Produced water has been included as consumption.
Facility 4	4392	About the same	No substantive change. General water volume variations at this thermal project are a function of reservoir characteristics and project stage. Produced water has been included as consumption.
Facility 5	1889	About the same	No substantive change. General water volume variations at this thermal project are a function of reservoir characteristics and project stage. Produced water has been included as consumption.
Facility 6	2398	Much higher	2015 was the first complete year of operation at this facility. General water volume variations at this thermal project are a function of reservoir characteristics and project stage. Produced water has been included as consumption.
Facility 7	1625	Higher	Water consumption increased at this thermal project, due to variations that are a function of reservoir characteristics and project stage. Oil production also increased. Produced water has been included as consumption.
Facility 8	2250	Higher	Although higher, consumption was within the expected operational range.
Facility 9	3146	Much higher	2015 was the first year of production at this facility. General water volume variations at this thermal project are a function of reservoir characteristics and project stage. Produced water that is not recycled has been included as consumption.

**W5.4**

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	Where there are material changes year over year, numbers are internally verified with operations.
Water withdrawals- volume by sources	Not verified	Where there are material changes year over year, numbers are internally verified with operations.
Water discharges- total volumes	Not verified	Where there are material changes year over year, numbers are internally verified with operations.
Water discharges- volume by destination	Not verified	Where there are material changes year over year, numbers are internally verified with operations.
Water discharges- volume by treatment method	Not verified	Where there are material changes year over year, numbers are internally verified with operations.
Water discharge quality data- quality by standard effluent parameters	Not verified	Where there are material changes year over year, numbers are internally verified with operations.
Water consumption- total volume	Not verified	Where there are material changes year over year, numbers are internally verified with operations.

**Further Information**

**Module: Response****Page: W6. Governance and Strategy****W6.1**

**Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?**

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Senior Manager/Officer	Scheduled - monthly	

**W6.2**

**Is water management integrated into your business strategy?**

Yes

**W6.2a**

**Please choose the option(s) below that best explain how water has positively influenced your business strategy**

Influence of water on business strategy	Please explain
Establishment of a clear water strategy	Husky has a Corporate Water Standard, which is part of the Husky Operational Integrity Management System (HOIMS). The Water Standard is approved by the COO and SVP of Human and Corporate Resources. The Standard outlines the expectation for every facility to conduct a water risk assessment and develop a water management plan. The Standard came into effect in March of 2015.
Greater regulator engagement	Husky is an active member of the Canadian Association of Petroleum Producers (CAPP). Through both CAPP and unilateral engagement with regulators, the Company provides feedback on new and emerging regulations related to water.
Alignment of public policy positions with water stewardship goals	Husky considers public policy objectives when developing local water management plans.
Water resource considerations are factored into location planning for new operations	
Water resource considerations are factored into site expansions	
Publicly demonstrated our commitment to water	In addition to participating in the CDP Water disclosure, Husky discloses water management information via its annual Community Report. The Company's public disclosure of its water management practices, including performance on scoring mechanisms such as the Sustainalytics ESG report, has provided for improved relationships with investors and other stakeholders.

**W6.2b**

**Please choose the option(s) below that best explains how water has negatively influenced your business strategy**

Influence of water on business strategy	Please explain
Increased capital expenditure	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.

**W6.3**

**Does your organization have a water policy that sets out clear goals and guidelines for action?**

Yes

**W6.3a**

**Please select the content that best describes your water policy (tick all that apply)**

Content	Please explain why this content is included
Company-wide Incorporated within group environmental, sustainability or EHS policy	Husky has a Corporate Water Standard, which is part of the Husky Operational Integrity Management System (HOIMS). The Water Standard is approved by the COO and SVP of Human and Corporate Resources. The Standard outlines the expectation for every facility to conduct a water risk assessment and develop a water management plan. The Standard came into effect in March of 2015.

**W6.4**

**How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?**

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
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**Further Information****Page: W7. Compliance****W7.1**

**Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?**

Yes, not significant

**W7.1a**

**Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them**

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
Lima Refinery	Penalty	In 2015 the Lima Refinery was assessed \$4000 USD in penalties for exceedances to our EPA National Pollution Discharge Elimination System Water Permit. The penalties were for two instances where discharged water did not meet quality standards.	2	4000	USD(\$)	Increased efforts to ensure stormwater runoff collected in impoundments meets quality standards.

**W7.1b**

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

0.25%

**W7.1c**

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
0.25	No change

**Further Information****Page: W8. Targets and Initiatives****W8.1**

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

**W8.1a**

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Other: water risk assessment	Risk mitigation	complete and document water risk assessments for all operations	Other: % facilities with detailed risk assessments	2014	2020	10%

**W8.1b**

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Other: Complete and document water risk assessments for all operations.	Risk mitigation	Water risk assessments are critical to risk mitigation. Operations that rely on water are identified, reviewed at a high level, and water risk assessments are completed based on priority.	Husky completes a high level review of all facilities annually. Highest priority water risk assessments have been completed.
Other: Minimize impacts to the environment from water management activities	Water stewardship	Minimize impacts to the environment from water management activities.	Husky considers this when completing water risk assessments and conducting water alternative assessments.
Other: Minimize impact to water from Husky operations	Water stewardship	Husky strives to minimize impacts to surface and ground water quantity and quality from its operations.	Husky evaluates for impacts to water at the site level and reviews them at the corporate level. Examples include impacts from spills and water extractions.
Other: Manage risks or impacts to assets and operations from water events such as flooding, drought, etc.	Cost savings	Manage risks or impacts to assets and operations from water events such as flooding, drought, etc.	Watercourse crossing procedure implemented, internally conducted several hydrologic assessments to evaluate risks related to surface water flows.
Other: Evaluate, identify, and apply reasonable alternatives and opportunities for efficient water management based on the technical, social, economic, environmental, and regulatory aspects	Risk mitigation	Where practicable, Husky evaluates opportunities to use alternatives to freshwater.	Where alternatives perform better than freshwater in terms of mitigating risk, these alternatives are pursued. For example, investments were made to use process-affected water to supplement water supply for a project.
Other: Track water volumes at facilities and operations	Water stewardship	Consistent, reliable, and meaningful corporate water metrics.	Husky tracks water volumes in its Environmental Performance Reporting System, and reviews water volumes at the facility level on an annual basis.
Other: Establish, periodically review, and communicate metrics and targets in order to drive continual improvement in water stewardship	Water stewardship	Establish, periodically review, and communicate metrics and targets in order to drive continual improvement in water stewardship.	Husky reviews corporate metrics regularly and shares them publicly through the annual Community Report. Improvements in internal metrics and tracking continued in 2015 with further development of an Environmental Reporting and Action Plan program (which records water performance at the facility level) and Corporate Environmental reporting metrics.
Other: Engage with pertinent water committees in order to keep apprised of issues and advocate for science-based management decisions	Risk mitigation	Husky engages with external committees to ensure understanding of regulatory requirements, stakeholder concerns, and water risks.	Husky continues to engage with numerous water committees including watershed planning and advisory committees and industry committees including CAPP and IPIECA.

**Further Information**



**Module: Linkages/Tradeoff****Page: W9. Managing trade-offs between water and other environmental issues****W9.1**

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

**W9.1a**

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Energy consumption / Associated emissions	Trade-off	Treatment of lower-quality sources requires energy. Reducing consumption of freshwater may impact GHG and other air emissions.
Land	Trade-off	Use of lower quality sources will likely require the overland transport of those water types. In the case of saline sources, for example, leaks or spills will have a greater impact than if freshwater were used. Reducing consumption of freshwater therefore may come at a cost in terms of risks to land. Treatment of lower quality sources may also require a larger footprint than is required for freshwater sources.
Ecosystem Health	Linkage	Lowering use of freshwater in basins that are constrained (including in the case of a temporary drought) can contribute to maintaining ecosystem health.

**Further Information****Module: Sign Off****Page: Sign Off****W10.1**

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Lois Garrett	Vice President, Corporate Responsibility	Other: Vice President

**W10.2**

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No

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**Further Information**

CDP: [D][-,][D2]