

WATER POLICY

Policy Statement

MEG Energy Corp. (MEG) has a responsibility to manage and protect water resources extending from our commitment to sustainable resource development. We recognize access to water is a human right and will incorporate the social, economic, and environmental value of water when considering business decisions and prioritize maintaining a safe and secure water supply across our value chain.

This policy intends to outline the approach we will take to meet our goals and address challenges as they relate to water.

Value of Water

We have a dependency on water to operate our business and the responsible use of this resource is essential to our success. Our ability to access the natural water supply is granted through regulatory approval and consultation with stakeholders that is grounded in our obligation to preserve the quality and availability of water. These obligations encompass the protection of surrounding water resources from excessive withdrawal, preserving the integrity of aquatic ecosystems where we construct and operate facilities, efficient water use in operations and extending those expectations to our suppliers and contractors. We are committed to industry leading and innovative water stewardship of this shared resource.

Key Principles

To meet our water stewardship commitments, we maintain the following principles:

- We prioritize and are focused on water conservation, optimizing water recycling, efficient water treatment, reliable and safe disposal systems and the protection of groundwater and aquatic ecosystems.
- We will not allocate fresh (potable) water sources for use in thermal operations.
- We will not infringe on the right of any individual to access clean water or sanitation.
- The value of water is considered in the corporate assessment of risk related to the availability of supply and the cost of protection.
- We collaborate with other water users and will enable partnerships with other industrial operators, suppliers, and communities.
- The impact of climate change on the availability and quality of water will continue to be assessed and incorporated into business decisions.
- Targets will be established to drive water conservation, water-related innovation and the protection of groundwater and aquatic ecosystems.

- Our facilities will be designed to meet or exceed all regulatory requirements as they relate to water management and protection. Operations compliance will be facilitated through the MEG Environment, Health and Safety Management Performance Program.

Implementation and Accountabilities

All MEG employees and contractors have a responsibility to protect the quality of the surrounding water resources, use water responsibly, and adhere to regulatory requirements and MEG's policies as they relate to water. A set of operational performance indicators focused on protection and efficient water use will be established and reviewed annually by the Corporate EHS Committee, to support Corporate goals and/or targets endorsed at the executive level to drive industry leading water performance over time.

Review

The Corporate EHS Committee will ensure this policy is reviewed every five years or more frequently where circumstances warrant. This Policy will be reviewed if for any reason MEG operations are deemed to occur in a water stressed¹ area or MEG operations potentially conflict with the water security of surrounding water users.

Approved by the Corporate EHS Committee July 2021

¹ As defined in the *WRI Aqueduct 3.0 (2019)*, water stress measures the available renewable surface and groundwater supply against withdrawals, with low stress being associated with less competition among water users.