



## Climate Change 2016 Information Request Husky Energy Inc.

### Module: Introduction

### Page: Introduction

#### CC0.1

##### Introduction

Please give a general description and introduction to your organization.

Husky Energy Inc. 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.

#### CC0.2

##### Reporting Year

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

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Thu 01 Jan 2015 - Thu 31 Dec 2015

#### CC0.3

##### Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

#### CC0.4

##### Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

CAD (\$)

**CC0.6****Modules**

**As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.**

**If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the navigation bar when you save this page. If you want to query your classification, please email [respond@cdp.net](mailto:respond@cdp.net).**

**If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx>.**

**Further Information**

READER ADVISORIES Forward-Looking Statements and 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 and growth strategies; the expectation that science based intensity targets for the Ram River Gas Plant and Tucker Thermal Project will not be set in the next 2 years; planned number of emissions reduction projects under investigation and expected to be implemented; the total estimated annual CO2 savings of the projects that have been implemented, are being implemented and are planned to be implemented; estimated annual CO2 emissions savings, monetary savings, investment required, payback period and lifetime of emissions reduction initiatives implemented in the reporting year; potential impact and magnitude of impact, timeframe, likelihood, financial implications, management methods and cost of management for anticipated risks driven by changes in climate change regulations, changes in physical climate parameters, and other climate-related developments; potential impact and magnitude of impact, timeframe, likelihood, financial implications, management methods and cost of management for anticipated opportunities presented by changes in climate change regulations, changes in physical climate parameters, and other climate-related developments; estimated levels of uncertainty in the Company's emissions figures; anticipated strategies for complying with emissions trading schemes in which the Company participates or anticipates participating; and the Company's expectation that it will recover additional oil resources in the Atlantic Region over time. In addition, statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment based on certain estimates and assumptions that the reserves described can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of reserves. The total amount or timing of actual future production may vary from reserve estimates. 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. Disclosure of Oil and Gas Information Unless otherwise stated, reserve estimates in this document, have been prepared by internal qualified reserves evaluators in accordance with the Canadian Oil and Gas Evaluation Handbook, have an effective date of December 31, 2015 and represent Husky's share. Unless otherwise noted, historical production numbers given represent Husky's share. Unless otherwise noted, historical production numbers are for the year ended December 31, 2015. The Company uses the terms barrels of oil equivalent ("boe"), which is consistent with other oil and gas companies' disclosures, and is calculated on an energy equivalence basis applicable at the burner tip whereby one barrel of crude oil is equivalent to six thousand cubic feet of natural gas. The term boe is used to express the sum of the total company products in one unit that can be used for comparisons. Readers are cautioned that the term boe may be

misleading, particularly if used in isolation. This measure is used for consistency with other oil and gas companies and does not represent value equivalency at the wellhead. Husky does not currently consider CO2 injected for the purposes of enhanced oil recovery, as described in the responses to the questions in section 4 of the Oil & Gas Module, as sequestered emissions. Note to U.S. Readers The Company reports its reserves and resources information in accordance with Canadian practices and specifically in accordance with National Instrument 51-101, "Standards of Disclosure for Oil and Gas Disclosure", adopted by the Canadian securities regulators. Because the Company is permitted to prepare its reserves and resources information in accordance with Canadian disclosure requirements, it may use certain terms in that disclosure that U.S. oil and gas companies generally do not include or may be prohibited from including in their filings with the SEC.

## Module: Management

### Page: CC1. Governance

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#### CC1.1

##### Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

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#### CC1.1a

##### Please identify the position of the individual or name of the committee with this responsibility

- i) The Health Safety and Environment Committee of the Board of Directors is responsible.
- ii) The Health Safety and Environment Committee of the Board of Directors has the following mandate:

##### A. PURPOSE

The Health, Safety and Environment Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Husky Energy Inc. (the "Corporation"). The Committee's primary function is to assist the Board in carrying out its responsibilities by reviewing, reporting and making recommendations to the Board on the Corporation's policies, management systems and programs with respect to health, safety and environment ("HS&E").

While the Committee has the responsibilities and powers set forth in this mandate, the role of the Committee is oversight. The members of the Committee are not full time employees of the Corporation and may or may not be experts in the health, safety and environment, and, in any event, do not serve in such capacity. Consequently, it is not duty of the Committee to plan or conduct health, safety and environment initiatives, health, safety and environment audit program or the like, or to determine that the Corporation is in compliance with such health, safety and environment initiatives, health, safety and environment audit programs or the like, or that the Corporation's health, safety and environment policies, management system and programs are complete, accurate or are in compliance with applicable legal and regulatory requirements. Management will continue to have the responsibility to conduct investigations and to assure compliance with applicable laws and regulations and the Corporation's health, safety and environment policies and programs.

##### B. COMPOSITION

The Committee will consist of not less than three directors all of whom will be independent of management. Members of the Committee will be appointed annually at a meeting of the Board, on the recommendation of the Corporate Governance Committee to the Co-Chairs, and will be listed in the annual report to shareholders.

Committee members may be removed or replaced at any time by the Board, and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

The Committee Chair will be appointed by the Board, on the recommendation of the Corporate Governance Committee to the Co-Chairs.

##### C. MEETINGS

The Committee will meet at least semi-annually on dates determined by the Chair or at the call of the Chair or any other Committee member, and as many additional

times as the Committee deems necessary.

Committee members will strive to be present at all meetings either in person, by telephone or other communications facilities as permit all persons participating in the meeting to hear each other.

A majority of Committee members, present in person, by telephone, or by other permissible communication facilities shall constitute a quorum.

The Committee will appoint a secretary who need not be a member of the Committee or a director of the Corporation. The secretary will keep minutes of the meetings of the Committee. Minutes will be sent to all Committee members, in a timely manner.

#### D. AUTHORITY

The Committee has the authority to engage and set the compensation of independent counsel and other advisors, at the Corporation's expense, as it determines necessary to carry out its duties.

#### E. SPECIFIC DUTIES & RESPONSIBILITIES

The Committee will have the oversight responsibilities and specific duties as described below.

1. Review, on a periodic basis, the Corporation's HS&E policy, management systems and programs and any significant policy contraventions.
2. Review, on a periodic basis, the Corporation's HS&E audit program and significant findings resulting from the program.
3. Review, on a periodic basis, compliance with governmental orders, conduct of litigation and other proceedings relating to HS&E matters.
4. Review, on a periodic basis, actions and initiatives undertaken to mitigate HS&E risk and/or HS&E matters having the potential to affect the Corporation's activities, plans, strategies or reputation. In addition, the Committee oversees the Corporation's risk management framework and related processes in relation to HS&E matters.
5. Conduct a periodic review of the Corporation's environmental remediation program.
6. Monitor, on a periodic basis, the relationship with regulatory authorities and others outside the Corporation (including joint venture partners, neighbouring property owners, stakeholders and shareholders) on HS&E issues.
7. Act in an advisory capacity to the Board.
8. Carry out such other responsibilities as the Board may, from time to time, set forth.
9. Advise and report to the Co-Chairs of the Board and the Board, relative to the duties and responsibilities set out above, from time to time, set in such detail as is responsibly appropriate.

#### CC1.2

**Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes

#### CC1.2a

**Please provide further details on the incentives provided for the management of climate change issues**

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
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Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
All employees	Monetary reward	Efficiency project	
Other: Individuals nominated for HSE awards for major sustainability accomplishments.	Recognition (non-monetary)	Other: Recognition for specific projects that address climate change and other environmental issues through the CEO's Corporate Responsibility awards.	

#### Further Information

### Page: CC2. Strategy

#### CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

#### CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Global Operations	> 6 years	Husky's enterprise risk matrix is, in the first instance, reviewed on a regular basis by vice presidents and managers at all levels of the Company and then reviewed on a quarterly basis by the Executive Health, Safety and Environment Committee, which is composed of senior management. Updates are then provided to the Audit Committee of the Board of Directors on a quarterly basis, the Health, Safety and Environment Committee of the Board of Directors three times per year, and to the Board of Directors annually. At the asset level, the asset managers, environmental coordinators and other appropriate individuals are informed or consulted.

#### CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Husky uses a comprehensive greenhouse gas (GHG) management framework to identify and respond to climate change risks and opportunities. The Carbon Management Critical Competency Network (CMCC) is a cornerstone of this framework and convenes representatives from across Husky to share knowledge and develop guidance on carbon and climate issues.

Process scope:

Husky's GHG management framework manages reporting, regulatory compliance, emission forecasting and emission reduction strategies. It includes:

- Emission management system
- Inventories and quantification
- Reporting and verification
- Forecasting

- Reduction strategies
- Regulatory advocacy and policy development
- Financial impact assessment
- Corporate governance

The CMCC also provides corporate guidance and recommendations around the growing financial risks and value of carbon.

Company-level assessment:

By estimating its current and projected future emissions and understanding forthcoming regulations that may impact its business, the Company determines the areas of its operations that may face future compliance obligations or additional costs from regulation. 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. It 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.

Asset level assessment:

Husky applies its GHG management framework through the lifecycle of projects and uses general hazard assessment procedures to evaluate opportunities and risks at an asset level. The results of assessments are then incorporated into other asset planning processes.

#### **CC2.1c**

##### **How do you prioritize the risks and opportunities identified?**

Husky quantifies risks and opportunities and determines materiality based on standard economic models integrated with other aspects of an asset or business. Prioritization is determined based on quantified impact assessment.

#### **CC2.2**

##### **Is climate change integrated into your business strategy?**

Yes

#### **CC2.2a**

##### **Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process**

i) Description of Internal Process for strategic GHG management:

Husky uses a GHG management framework to guide the process of integrating climate change into its business strategy. Regulatory compliance is one of the key drivers in this process. Due to the cyclical nature of reporting, there is an opportunity for annual evaluation of reported emissions and forecasts at both the facility and corporate levels. Elements of the GHG management framework that inform corporate business strategy include:

- a. GHG Inventory and Quantification – Internal processes have been developed to collect and validate data for each Company facility. Calculation methodologies follow federal, provincial and/or state guidelines for quantifying and reporting emissions using Husky's Environmental Performance Reporting System (EPRS). The Corporate Responsibility business unit ("Corporate Responsibility") communicates information requests and calculation results to business units annually.
- b. GHG Reporting and Verification – Facilities with regulatory reporting and compliance obligations require more detailed communications plans. Corporate Responsibility, along with third-party verifiers as required, develop schedules for meetings, site visits and data validation requests. Results of third-party verification exercises are shared with the facilities to ensure continued awareness of data quality and to streamline reporting processes. Facility managers approve GHG reports prior to submitting to regulatory agencies.
- c. Emissions Reduction Strategy – Facilities with established emission reduction targets are evaluated in conjunction with annual reporting. Opportunities for

reductions at the facility level are proposed and evaluated for feasibility. Any efficiency projects implemented during the previous year will be evaluated for effectiveness. Emission forecasts based on projected production provide economic support that may be used to influence future facility design specifications or justify funding for projects to reduce emissions.

d. Regulatory Policy System – Corporate Responsibility is actively involved in organizations such as the Canadian Association of Petroleum Producers (CAPP), IPIECA and Petroleum Technology Alliance of Canada (PTAC) to collaborate with industry peers to address issues of climate change. Issues affecting Husky's business units are communicated through appropriate means.

ii, iii) Examples and description of aspects of climate change that influence business strategy:

One aspect of climate change that has influenced corporate strategy is regulatory uncertainty. During times of policy change, additional resources are strategically allocated as needed to proactively address issues including regulatory compliance and uncertainty.

As part of its efforts to address regulatory change, and stakeholder expectations in relation to climate change, Husky strives to reduce facility emissions, including improving energy efficiency, minimizing fugitive emissions and mitigating flaring and venting. Emission reduction and energy efficiency opportunities are evaluated at the facility level. These projects enable Husky to manage emissions reduction obligations and aid in meeting facility intensity targets described in question CC3. Husky pursues offsets as a means to reduce emissions at facilities where GHG reductions are not regulated.

iv) Examples of how short term strategy has been influenced by climate change:

The most important outcomes of short term strategy (current) that have been influenced by climate change include:

- increased resources allocated to evaluating energy efficiency and emissions reduction measures (e.g. enhanced oil recovery, reducing tank vent emissions, reducing methane through high bleed to low bleed pneumatic conversion, reducing wellpad venting through industry clustering),
- fuel consumption reduction through ongoing work to optimize the thermal efficiency of stationary combustion equipment (i.e. boilers and heaters),
- decreased Scope 2 GHG emissions associated with purchased electricity due to the installation of variable frequency drivers to reduce electrical usage,
- continued efforts to minimize impact to the environment from its water management activities, and manage risks or impacts to its assets and operations from water events such as flooding and drought,
- severe weather and climate-related hazardous operations planning (especially in offshore facilities), and
- monitoring of planning for current and emerging regulatory obligations and issues.

v) Examples of how long term strategy has been influenced by climate change:

An integrated and balanced approach on emissions management throughout the lifecycle of facilities provides a basis for long-term emissions management. Facility production and emissions forecasts have been created based on current and future projects. The potential environmental compliance costs presented in the emissions forecasts may be used to influence future facility design specifications and corporate design standards or justify funding for projects to reduce emissions. Husky's Carbon Management Critical Competency Network (CMCC) is in part driven by long-term climate change issues surrounding carbon markets and costs of mitigation. The most important outcomes of long term strategy (5+ year time horizon) that have been influenced by climate change include:

- technology development for carbon capture,
- advancement of low emission extraction technologies, and
- adoption of risk mitigation plans for increasing number and severity of weather and climate-related events that impact production.

vi) Examples of how climate change strategy is delivering strategic advantage:

Husky incorporates technology and research advancements to reduce emissions, and encourages innovative approaches to minimize emissions, such as carbon capture, injecting carbon dioxide for enhanced oil recovery and evaluating technologies to reduce methane venting in cold heavy oil production. These projects reduce GHG emissions and may be used to gain emission reduction credits in provincial jurisdictions.

vii) Example of the most substantial business decision made related to climate change:

The most substantial business decision that Husky has made related to climate change continues to be investment in its CO2 Enhanced Oil Recovery program. This program lowers emissions intensity in the Company's heavy oil business through minimal solution gas venting and lower combustion emissions. This supports regulatory risk mitigation efforts and creates opportunities for marketing lower carbon intensity products.

### CC2.2c

**Does your company use an internal price of carbon?**

Yes

### CC2.2d

**Please provide details and examples of how your company uses an internal price of carbon**

Husky uses an internal price on carbon to evaluate projects in jurisdictions where there is a regulatory compliance obligation for GHG emissions or where there is a reasonable expectation that additional material compliance obligations will be implemented in the near to mid-term. The Company considers both the cost and value of GHGs; for example, Husky places a value on CO2 as a means to enhance heavy oil production.

### CC2.3

**Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)**

Direct engagement with policy makers  
Trade associations  
Funding research organizations

### CC2.3a

**On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Carbon tax	Support	Husky continues to directly engage with provincial and federal government agencies through pro-active outreach, as well as through input to industry associations representing broad industry consensus.	Husky supports efforts to price carbon in a way that is equitable for all GHG emitters on an intensity basis.
Other: Market based	Support	Husky continues to directly engage with provincial and federal government agencies through pro-active outreach, as well as through input to industry associations representing broad industry consensus.	Husky supports a market-based system that captures carbon across the economy, harmonizes policies across jurisdictions and treats all technologies and fuels equally.
Regulation of methane emissions	Support	Husky continues to directly engage with provincial and federal government agencies through proactive outreach, as well as through input to industry associations representing broad industry consensus.	Husky supports incentives for early action on methane emission reductions that give industry the flexibility to manage reductions efficiently.
Other: GHG performance benchmarking for the Canadian refining sector	Support	Ongoing engagement (through the Canadian Fuels Association) with the federal government to set up a benchmarking approach based on guiding principles such as long-term competitiveness and a level playing field for the Canadian refining sector.	Husky supports a benchmarking approach using the Canadian Solomon complexity-weighted barrel methodology for typical petroleum refineries.

### CC2.3b

**Are you on the Board of any trade associations or provide funding beyond membership?**



Yes

**CC2.3c**

**Please enter the details of those trade associations that are likely to take a position on climate change legislation**

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Canadian Association of Petroleum Producers (CAPP)	Consistent	<p>CAPP's climate change policy principles as shown at <a href="http://www.capp.ca/responsible-development/air-and-climate/climate-change">http://www.capp.ca/responsible-development/air-and-climate/climate-change</a> Balance Balanced "3E" policy should deliver Economic growth, Environmental protection, and a secure and reliable Energy supply. Efficiency Policy should be designed to drive efficient actions required to achieve emission objectives. Technology Policy should stimulate investment in the technologies necessary for significant reductions in GHG emissions in Canada. Predictability and Stability Predictable policy built on stable principles should support long term capital investments in the upstream oil and gas sector and create jobs for Canadians. Competitiveness Policy should maintain competitiveness of Canadian industry, ensure compatibility with major trading and economic partners (particularly with the U.S., Canada's largest trading partner), and compliance should be achievable within the context of growing production. Distributional Fairness Policy should distribute cost burden equitably among sectors and jurisdictions across the economy. Harmonization Policy should be harmonized across jurisdictions within Canada, to an extent that is reasonable and practical. Administrative Simplicity Policy should be simple and minimize the administrative burden on industry to the greatest extent possible.</p>	<p>Husky participates in working groups within CAPP to inform the industry association's position relative to climate change policy in Canada.</p>
Canadian Fuels Association (CFA)	Consistent	<p>CFA's policy position is presented at <a href="http://www.canadianfuels.ca/Industry-Policy/#Climate">http://www.canadianfuels.ca/Industry-Policy/#Climate</a>: Climate Change / GHG Emission Reduction For Canada, our collective efforts to achieve a sustainable, lower carbon future must be founded on three key actions: • Explore, define and evaluate GHG emission-reduction pathways in collaboration with all stakeholders before targets are set. • Recognize Canada's productivity and competitiveness as core considerations in the development and implementation of a national GHG-reduction strategy. • Ensure that sound evidence and cost-benefit analyses drive decision-making and are transparently shared with citizens. Climate policy has far reaching implications for citizens, business and society in general. Canadian Fuels Association and its members support policy approaches that minimize the overall cost to society of reducing climate risks. Broad-based carbon pricing mechanisms that are transparent, uniform and predictable are useful tools to send clear price signals across the economy that can effectively and efficiently reduce Canada's carbon footprint. Industrial Facility Emissions – Refineries Refining is an energy intensive and trade exposed sector. Maintaining Canadian refining industry competitiveness is a key principle to underpin any GHG emissions reduction policy. Policies must maintain a level playing field between jurisdictions, between sectors and within sectors. This is best accomplished with a national approach, rather than the current federal/provincial patchwork, and one that is aligned with approaches implemented by our major trading partners. Emission expectations for Canadian refineries should be determined with reference to an established global benchmark. Transportation Emissions Transportation is a significant component of GHG emissions globally and in Canada. Transportation is also vital to a strong economy and a progressive quality of life. Successfully reducing transport emissions is a complex and challenging task. The goal must be a sustainable transportation system that balances Canadians' environmental, economic and social aspirations. Carbon pricing mechanisms can play an important role. Beyond that, achieving the aspirations of the Paris Agreement will require Canadians and our governments to make smart decisions about where we live and work, and how we get around.</p>	<p>Husky participates in working groups within CFA to inform the industry association's position relative to climate change policy in Canada.</p>

**CC2.3d**

**Do you publicly disclose a list of all the research organizations that you fund?**

Yes

**CC2.3f**

**What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Key individuals in the business units and supporting service groups collaborate to align Husky's position. The Company's climate change strategy is clearly communicated to policy makers either directly or through participation in industry association working groups within the jurisdictions where the Company operates. In 2015, Husky continued to support consistency in policy advocacy through expansion of representation in the Company's Carbon Management Critical Competency and increased activity within the GHG management framework. Husky's Government Relations department works with the Carbon Management Critical Competency and Company representatives involved in policy engagement to ensure that policy advocacy activities are aligned.

**Further Information****Page: CC3. Targets and Initiatives****CC3.1**

**Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?**

Intensity target

**CC3.1b**

**Please provide details of your intensity target**

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1	3.0%	12%	Metric tonnes CO2e per unit of production	2010	0.1982	2015	No, and we do not anticipate setting one in the next 2 years	This is an external target set by regulators for the Ram River Gas Plant.
Int2	Scope 1	4.7%	12%	Metric tonnes CO2e per unit of production	2011	0.9668	2015	No, and we do not anticipate setting one in the next 2 years	This target is based on individual well data and the plant aggregate for steam and production for 2011, 2012, and 2013. It is an external target set by regulators for the Tucker Thermal Project.

**CC3.1c**

**Please also indicate what change in absolute emissions this intensity target reflects**

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	32			Decrease due to declining production and intensity target reductions. The target outlined in ID# Int1 of Q3.1b and Q3.1c is an external target set by regulators and covers Scope 1 emissions only.
Int2	Increase	10			A rolling baseline target is used, so the average of 2011, 2012 and 2013 production was used to calculate baseline absolute emissions. The target outlined in ID# Int2 of Q3.1b and Q3.1c is an external target set by regulators and covers Scope 1 emissions only.

**CC3.1e**

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	100%	100%	Husky is participating in the Alberta Climate Change Emissions Management Fund to meet this target.
Int2	100%	100%	Husky achieved this target through on-site steam optimization efforts.

**CC3.2**

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

**CC3.2a**

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
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Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	Gasoline Diesel	Low carbon product				<p>Scope 1 GHG emissions from consumers of retail fuels were avoided by blending renewable alternatives to gasoline (ethanol) and renewable alternatives to diesel (Hydrogenation Derived Renewable Diesel [HDRD] and biodiesel) into gasoline and diesel, respectively. Where possible, Husky blends 10% ethanol into all grades of gasoline. In 2015, this equated to an average 9.5% ethanol blend, which exceeded federal and provincial requirements at the point of blending (Canada Federal - 5%, BC - 5%, AB - 5%, SK - 7.5%, MB - 8.5%, ON - 5%). ii. In 2015 the blending of ethanol into gasoline resulted in a reduction of 34,000 metric tonnes of CO2 per year based on a 2007 baseline. - 2007 is a baseline year generated by the Government of Canada that takes into account all industry emissions and the fuel offering of that year; it is integrated into the GHG model assumptions. iii. The most up to date version of National Resources Canada's (NRCan) GHGenius model was used to calculate the carbon intensities of Husky's fuels. The B.C. Renewable and Low Carbon Fuel Requirements Regulation's Emissions Calculation was used to determine emissions reductions. Emissions Reduction (tonnes) = (CI class x EER fuel - CI fuel) x EC fuel / 1,000,000 CI class = the prescribed carbon intensity limit for the compliance period for the class of fuel of which the fuel is a part EER fuel - the prescribed energy effectiveness ratio for that fuel in that class of fuel CI fuel = the carbon intensity of the fuel (via GHGenius) EC fuel = the energy content of the fuel calculated in accordance with the regulations iv. Husky is not considering generating Certified Emission Reductions (CERs) or Emission Reduction Units (ERUs) within the framework of Clean Development Mechanism (CDM) or Joint Implementation (JI) of the United Nations Framework Convention on Climate Change (UNFCCC) at this time.</p>

**CC3.3**  
**Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)**

Yes

**CC3.3a**  
**Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings**

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
To be implemented*	1	30000
Implementation commenced*	1	3500
Implemented*	4	294100
Not to be implemented	0	

**CC3.3b**

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Other	Installation of compressors at heavy oil wellsites that will capture otherwise vented produced gas	294000	Scope 1	Mandatory	1980000	1670000	<1 year	3-5 years	
Low carbon energy installation	Fuel gas switching from diesel to natural gas for well completions	12	Scope 1	Voluntary					
Fugitive emissions reductions	Installation of internal floating roof to reduce tank emissions	48	Scope 1	Voluntary					

**CC3.3c**

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	
Dedicated budget for energy efficiency	
Employee engagement	
Financial optimization calculations	
Internal price of carbon	
Internal incentives/recognition programs	
Partnering with governments on technology development	

**Further Information**

The emissions reduction initiatives described in question CC3.3 have not been claimed as offsets under an established carbon trading scheme and have not been verified by a third party.

**CC4.1**

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In voluntary communications	Underway - previous year attached	Pages 26-28	<a href="https://www.cdp.net/sites/2016/75/8675/Climate%20Change%202016/Shared%20Documents/Attachments/CC4.1/Husky-Community-Report-2014-sm.pdf">https://www.cdp.net/sites/2016/75/8675/Climate Change 2016/Shared Documents/Attachments/CC4.1/Husky-Community-Report-2014-sm.pdf</a>	2014 Community Report
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Pages 43-45	<a href="https://www.cdp.net/sites/2016/75/8675/Climate%20Change%202016/Shared%20Documents/Attachments/CC4.1/HSE_Annual2015.pdf">https://www.cdp.net/sites/2016/75/8675/Climate Change 2016/Shared Documents/Attachments/CC4.1/HSE_Annual2015.pdf</a>	2015 Annual Report
In other regulatory filings	Complete	Risk Section	<a href="https://www.cdp.net/sites/2016/75/8675/Climate%20Change%202016/Shared%20Documents/Attachments/CC4.1/Husky%20Annual%20Information%20Form%202015.pdf">https://www.cdp.net/sites/2016/75/8675/Climate Change 2016/Shared Documents/Attachments/CC4.1/Husky Annual Information Form 2015.pdf</a>	2015 Annual Information Form

**Further Information****Module: Risks and Opportunities****Page: CC5. Climate Change Risks****CC5.1**

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Risks driven by changes in regulation

Risks driven by changes in physical climate parameters

Risks driven by changes in other climate-related developments

**CC5.1a**

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Uncertainty surrounding new regulation	Risk Description: The Company continues to monitor the international and domestic efforts to address climate change, including international low carbon fuel standards and regulations and emerging regulations in the jurisdictions in which the	Increased operational cost	Up to 1 year	Direct	Virtually certain	Medium	Presently, Husky makes carbon related payments in B.C. and Alberta. The	Husky manages its exposure to uncertainty in new regulation through strategic investments	Husky's initial pilot for CO2 capture from once-through steam generator flue gas at its Lashburn,

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated current financial implications	Management method	Cost of management
	<p>Company operates. Husky is exposed to climate change regulations in Alberta, Saskatchewan, British Columbia, Manitoba, and federally in Canada and the U.S.. Existing regulations in Alberta require facilities that emit more than 100,000 tonnes of CO<sub>2</sub>e in a year to reduce their emissions intensity by up to 20 percent below an established baseline emissions intensity by January 1, 2017. These regulations currently affect the Company's Ram River Gas Plant and Tucker Thermal Facility. Husky's Sunrise Energy Project will not be impacted by the existing regulations before they expire in 2017. The Alberta Climate Leadership Plan will be implemented in 2017. The regulations under this plan are currently under development and will cover all of the Company's assets in Alberta. These regulations may materially impact the Company's current and future operations in the province. Please see the "Further Information" section for a more detailed description of these risks in other jurisdictions where Husky has operations. Effects of Regulatory Uncertainty: The regulatory uncertainty discussed above creates difficulties in assessing the impact of climate change regulations on the Company, specifically in how and when emissions will be constrained, monitored and measured, the cost of carbon and ultimately the Company's liability from climate change regulations. The variety of current and future regulations across multiple jurisdictions, and the associated uncertainty in these frameworks, creates further difficulties in predicting the timing of regulations, targets, or costs</p>						<p>exposure to fees associated with carbon emissions is less than \$4 million, which is under 0.03% of Husky's 2015 gross revenue before royalties and marketing and other income. The Company expects payments to increase with pending changes to GHG regulations in various jurisdictions, however there is uncertainty as to the degree and pace at which increases will be incurred.</p>	<p>that focus on positive return on investment (ROI), reduced operating costs and lower emissions intensity. The Company invests in CO<sub>2</sub> capture for enhanced oil production (EOR). It also invests in energy efficiency projects, which reduces both its operating costs and in many cases its GHG emissions and regulatory liability. In addition, Husky participates in direct and joint industry engagement with policy makers to stay abreast of emerging trends in regulation and advocate for regulatory certainty. In 2015, Husky met directly with regulators at the Canadian federal and provincial levels to</p>	<p>Sask. test facility is expected to cost \$20 million, with \$6 million provided through external grants. Construction was completed and capture operations commenced in 2015. Relevant energy efficiency projects that help mitigate GHG regulatory exposure are estimated at \$50,000 for this reporting year. Activities related to policy intelligence and advocacy are part of operating costs and are not tracked separately.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>associated with any amended bill that may come into force in the future. These variables ultimately create challenges in understanding the long term impacts of climate change regulations on the Company and evaluating their associated risks.</p>							<p>discuss GHG regulations and their impact to its business. Husky continues to monitor the international and domestic efforts to address climate change, including developments through the UN Conference of Parties process and emerging regulations in the jurisdictions in which the Company operates. Although the impact of emerging regulations is uncertain, they may have a material impact on the Company's finances and operations. Performance improvement may be achieved through technology. Husky invests in technology and participates in industry knowledge sharing</p>	



Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								initiatives that will help it develop operational improvements.	

**CC5.1b**  
**Please describe your inherent risks that are driven by changes in physical climate parameters**

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Snow and ice	Risk Description: Husky operates in some of the harshest environments in the world, including offshore at its Atlantic Region assets, including the White Rose field. Climate change is expected to increase severe weather conditions in these locations including winds, flooding, and variable temperatures, which are contributing to the melting of northern ice and increased iceberg activity. The Company has in place a number of policies to protect people, equipment, and the environment in the event of extreme weather conditions and adverse ice conditions. Risk	Reduction/disruption in production capacity	Up to 1 year	Direct	Very likely	Low	The potential consequences of a severe weather or ice related event to Husky's offshore operations include possible production disruptions, spills, asset damage and human impacts. While this is mitigated through the methods described below, financial implications of a severe event could be greater than \$10 million.	Husky is managing physical risk through engineering for 1:100 year weather events. Husky's Atlantic Region business unit has a robust ice management program that uses a range of resources including a dedicated ice surveillance aircraft, and works with government agencies including Environment Canada, the Coast Guard and Canadian Ice Service.	The cost of the Company's ice monitoring and management activities was approximately \$4.9 million in 2015.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Regular ice surveillance method	Cost of management
	<p>Effects: Icebergs and pack ice off the coast of Newfoundland may affect Husky's offshore oil production facilities, causing damage to equipment and possible production disruptions, spills, asset damage and human impacts.</p>							<p>commence in February, and continue until the threat has abated. In addition, Atlantic Region operators employ a series of supply and support vessels to actively manage ice and icebergs. This fleet has grown over time partly in response to changing ice conditions. Husky maintains a series of ad-hoc relationships with contractors, allowing the quick mobilization of additional resources as required. The Husky Operational Integrity Management System (HOIMS) is a systematic approach to anticipating, identifying and mitigating risks and major accident hazards across</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	the Company's Management method The implementation of HOIMS has produced tangible business results including increased measurement, improved performance, and enhanced business value. It incorporates best practices from across the industry, consistent with Husky's commitment to excellence in operational integrity. Husky prepares an enterprise risk matrix with mitigation strategies vetted annually by the Audit Committee of the Board of Directors.	Cost of management

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	Risk Description: Where Husky has operations in flood prone areas, extreme weather events can expose the Company to increased risk of disruption to operations. Risk Effects: Flooding and extreme weather has and will continue to disrupt operations in the field as well as at Husky's head office in Calgary.	Reduction/disruption in production capacity	1 to 3 years	Direct	Unknown	Low-medium		Readiness for potential emergencies is strengthened through exercises, established processes and Emergency Response Plans (ERPs) designed to guide a consistent and effective response to any event which could affect employees, contractors, the community, the environment and/or the Company's assets and reputation. Additionally, Husky develops contingency plans and measures to mitigate the impacts should a business-interrupting event occur.	

**CC5.1c**

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer	Risk Description: Societal and consumer	Reduced demand for	>6 years	Direct	Likely	Low	If Husky were to experience	As regulations develop and	Husky has integrated its

behaviour Risk driver	pressure to reduce GHG emissions from the transportation sector could affect the composition of the basket of fuels available to the consumer as well as improved vehicle performance, as noted in the Canadian Fuels Association's "Fuels for Life" report. Risk Effects: Increased demand for improved vehicle performance leading to increased fuel efficiency may reduce demand for gasoline and diesel at Husky fuel outlets in North America as described in the U.S. Energy Information Administration's 2014 Annual Energy Outlook.	goods/services Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated annual financial applications	Management method	Climate Change Cost of Management
							<p>a 4% annual decrease in sales, corresponding to the EIA's reference case for light duty vehicle energy demand estimate through 2040 in its 2016 Annual Energy Outlook, the scale of potential financial impacts to the Company are in the order of \$10 million per year based on 2015 gasoline sales. This figure is less than 0.1% of 2015 gross revenue. The Company has growth opportunities in enhanced oil production using CO2, and ethanol-blended fuels.</p>	<p>markets for its products change, Husky will continue to manage the risk through the Carbon Management Critical Competency and its GHG management framework. Through these methods, Husky monitors emerging regulations, advises management and lead officers of any developments, and advocates the Company's position with the regulators. Additionally, Husky's Executive Health, Safety, and Environment Committee reviews and approves compliance and emission reduction strategies, establishes performance targets, and allocates resources as appropriate. Through the application of this framework and Husky's Corporate Risk Management program over time, the Company will seek to develop the appropriate response to changing markets as they materialize. This includes allocating resources as appropriate to</p>	<p>Framework into everyday business operations at a corporate-services level. There are no additional material costs to manage the risks described in this response at this time. If any of these risks are determined to be more pressing or impactful, a reassessment of management plans and costs will be performed.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>growth opportunities in natural gas, enhanced oil production using CO2, and ethanol blended transportation fuels. As an example of a current action to address this risk, Husky is reducing emissions through biofuel blending optimization. In 2015, the use of ethanol blended fuel helped prevent the emission of 34,000 tonnes of CO2e.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Uncertainty in market signals	Reducing GHG emissions from the Electricity sector, in the absence of carbon capture and storage technology, could have a negative impact on fossil fuel demand, especially coal. Electricity sector demand for natural gas, as a lower carbon fossil fuel relative to coal, is expected to increase as forecasted by the U.S. Energy Information Administration and the National Energy Board of Canada.	Reduced demand for goods/services	>6 years	Direct	Unknown	Unknown			Husky has integrated its GHG Management Framework into everyday business operations at a corporate-services level. There are no additional material costs to manage the risks described in this response at this time. If any of these risks are determined to be more pressing or impactful, a reassessment of management plans and costs will be performed.

#### Further Information

CC5.1a The Saskatchewan government is currently in the process of developing regulations. These regulations may impact the Company's current and future operations in the province. British Columbia currently has a \$30 per tonne carbon tax that is in place on fuel the Company uses and purchases in that jurisdiction, which affects all of the Company's operations in British Columbia. Additionally, British Columbia has a Renewable and Low Carbon Fuel Requirements Regulation in place that requires a reduction in the allowable carbon intensities of all fuels, with penalties applied for intensities that do not meet targets. As a result of credits generated by the Company, it is anticipated that penalty payments will not begin to apply until the end of 2017. Beyond that, the cost of compliance with the regulation may become material. At the Company's Prince George Refinery, certain biodiesel options are not feasible operationally or economically. With the current biodiesel option, it is not economically feasible to increase the blending percentages. The B.C. government is currently conducting additional consultation on its Climate Leadership Plan. Future regulations may impact the Company's current and future operations in British Columbia. Manitoba released its Climate Change and Green Economy Action Plan in December 2015 and pledged to start a carbon cap-and-trade system aiming to cut GHG emissions from 2005 levels by one-third by 2030 and by one-half by 2050. Manitoba has stated it will cap GHG emissions for certain sectors and link its cap-and-trade system with others in North America. Details on the plan will follow public consultations, and its implementation may impact Husky's operations in Manitoba. The Federal Government of Canada has announced its intention to commence developing a new federal climate change plan in consultation with the provinces. It is not clear how this new plan will be structured and what impacts it will have on Husky's operations. Climate change regulations may become more onerous over time as governments implement policies to further reduce GHG emissions. Although the impact of emerging regulations is uncertain, they may have a material adverse effect on the Company's financial condition and results of

operations through increased capital and operating costs and change in demand for refined products. The Company's U.S. refining business may be materially impacted by implementation of the EPA's climate change rules or by future U.S. GHG legislation that applies to the oil and gas industry or the consumption of petroleum products. Such legislation or regulation could require the Company's U.S. refining operations to significantly reduce emissions and/or purchase allowances, which may have a material adverse effect on the Company's financial condition and results of operations through increased capital and operating costs.

## Page: CC6. Climate Change Opportunities

### CC6.1

**Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply**

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

### CC6.1a

**Please describe your inherent opportunities that are driven by changes in regulation**

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
General environmental regulations, including planning	Opportunity Description: Husky has a number CO2 sources that may be relatively inexpensive to capture. These sources include ethanol plants, hydrogen plants and sour gas sweetening plants. However, presently there is no widespread infrastructure in place to transport this CO2 for other uses. Regulations will influence the construction and operation of CO2 capture and transport infrastructure. Husky is also developing a pilot for capturing CO2 from once-through steam generators at EOR candidate facilities. Opportunity Effects: The CO2 sources available for carbon capture will allow	Reduced operational costs	3 to 6 years	Direct	Likely	Medium	Husky is performing ongoing evaluations to assess the financial impact of this opportunity. Commodity prices of CO2 for EOR purposes can exceed \$100 per tonne when delivered to remote sites. Based on 2015 injected volumes, this could correspond to a supply cost of greater than \$10 million.	The opportunities described in this question are being managed through Husky's GHG management framework. Specifically, the opportunity to capture CO2 from various sources and inject it for EOR depends on these methods: 1. Emission Inventory: knowledge of where opportunities exist, specifically, where the best source of CO2 is for capture. It will also	Husky's initial pilot for CO2 capture from once-through steam generator flue gas at its Lashburn, Sask. test facility is expected to cost \$20 million, with \$6 million provided through external grants. Construction was completed and capture operations commenced in 2015.



Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Husky to respond to regulations as influencing carbon capture and storage and provide for reduced operating costs.</p>							<p>allow Husky to track emission reductions. 2. Monitor Regulation and Advocate Policy: Husky monitors emerging regulations and advocates the Company's position with regulators. Husky continues to work with technology proponents and funding agencies at the provincial and federal levels to support innovation in CO2 capture and utilization. 3. Compliance and Emission Reduction Opportunities: Husky has and continues to develop a number of compliance options, including emission reductions through efficiency improvements and technology advancements, management of fugitive emissions, CO2 capture, carbon trading and offset credit</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	generation. 4. Governance. Husky's Management method	Cost of management
								Executive Health, Safety, and Environment Committee reviews and approves compliance and emission reduction strategies as well as establishes performance targets. Husky is currently implementing a CO2 capture program for an EOR pilot from once-through steam generators to evaluate technological and economic feasibility of large scale technology adoption and opportunity exploitation.	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	Regulations may drive the demand for renewable transportation fuels, including ethanol for blending with gasoline. Husky is Western Canada's largest producer of ethanol, operating two plants with a total annual capacity of 260 million litres, and is the region's largest distributor of ethanol for blending into gasoline.	Increased production capacity	3 to 6 years	Direct	Likely	Unknown			
Fuel/energy taxes and regulations	Regulations may drive the use of energy efficient equipment and equipment and projects designed to reduce emissions	Reduced operational costs	1 to 3 years	Direct	Very likely	Unknown			

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Product efficiency regulations and standards	Regulations may encourage research into the use of CO2 for enhanced oil recovery. Husky completed a project in 2012 which includes capturing CO2, injecting it into heavy oil reservoirs, and then using the CO2 to assist with enhanced heavy oil recovery and continues to investigate additional capture technologies. Husky is developing this recovery method, which has not yet been applied commercially in the thin, shallow, viscous formations typical of heavy oil. Specifically, the Company is developing knowledge and methods on how to capture CO2 from its Lloydminster Ethanol plant and other sources; and then purify, dehydrate and compress it before transporting it to heavy oil reservoirs located in proximity to the plant. The CO2 is injected into the reservoirs and used to enhance oil recovery. When the reservoirs are fully depleted, the CO2 can be stored in the reservoir.	Increased production capacity	1 to 3 years	Direct	Very likely	Unknown			

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fuel/energy taxes and regulations	Regulations may drive the demand of low-carbon-based fuels. Husky maintains that natural gas offers a relatively inexpensive, practical, and clean source of energy.	Increased production capacity	3 to 6 years	Direct	Likely	Unknown			

**CC6.1b**

Please describe the inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Snow and ice	<p>Opportunity Description: Husky operates in some of the harshest environments in the world. These environments are subject to physical changes due to climate change including extreme weather conditions and iceberg activity that could adversely affect in onshore and offshore operations. For example, iceberg activity off the coast of Newfoundland may affect offshore oil production facilities, including the SeaRose FPSO. The Company has developed a number of policies to protect people, equipment, and the environment in the event of extreme weather conditions</p> <p>Opportunity Effects: Husky's experience in harsh environments allows the Company to effectively manage iceberg activity.</p>	Increased production capacity	Up to 1 year	Direct	Likely	Medium	Husky's proven ability to operate in the harsh offshore environment in the Atlantic Region has contributed to an expectation that the Company will recover additional oil over time. Husky produced more than 13 million barrels of oil (company interest) in the White Rose area in 2015 after reaching a milestone of just over 200 million barrels of cumulative	Husky's Atlantic Region business unit has a robust ice management program. The program uses a range of resources, including a dedicated ice surveillance aircraft, and works with government agencies including Environment Canada, the Coast Guard and Canadian Ice Service. Regular ice surveillance flights commence in February, and continue until the threat has abated. Atlantic	The cost of the Company's ice monitoring and management activities were approximately \$4.9 million in 2015.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Region Management method	Cost of management
								Region operators employ a series of supply and support vessels to actively manage ice and icebergs. These vessels are equipped with a variety of ice management tools including towing ropes, towing nets and water cannons. This fleet has grown over time partly in response to changing ice conditions. Husky maintains a series of ad-hoc relationships with contractors, allowing the quick mobilization of additional resources as required.	

**CC6.1c**  
**Please describe the inherent opportunities that are driven by changes in other climate-related developments**

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer	Opportunity Description: Husky may have an	Increased demand for	3 to 6 years	Indirect (Client)	Likely	Low-medium	The financial implications	Husky identifies and	Husky has integrated its

Opportunity driver	Description	existing potential/impacts	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	estimated financial implications	Management method	risk and opportunity identification
	<p>opportunity to provide low carbon fuels to meet new market demand. Certain markets are assigning premium value to low carbon transportation fuels and coal is being phased out and replaced by natural gas as the fuel of choice for power generation. Husky is well positioned to benefit from these trends in consumer behaviour as it has growth opportunities in natural gas and ethanol blended transportation fuels. The Company's Lloydminster Ethanol Plant currently provides ethanol to the B.C. market to support blending requirements to meet the province's Renewable &amp; Low Carbon Fuels Requirements Regulation. Opportunity Effects: Increased consumer demand for low carbon transportation fuels and natural gas could result in new revenue opportunities.</p>						<p>however these opportunities have the potential to inform Husky's investment decisions. For example, if consumer preference shifts to low carbon fuels for transportation and natural gas for power generation, Husky may allocate greater resources to these growth areas.</p>	<p>manages opportunities related to consumer behaviour through several mechanisms: The Company's enterprise risk matrix with mitigation strategies is reviewed by the Audit Committee quarterly and provided to the Board of Directors annually. Through the application of this risk matrix over time, the company will be able to determine the appropriate response to changing markets as they develop. This includes allocating resources as appropriate to growth opportunities in natural gas, and ethanol blended transportation fuels. Husky also has a formal opportunity identification</p>	<p>risk and opportunity identification processes into everyday business operations at a corporate services level. There are no additional material costs to identify and manage the opportunities described in this response at this time. If any of these opportunities are determined to warrant further study, a formal project sanctioning process would follow with the appropriate decision gates as needed. Costs would be refined at each of these gates.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	and Management method evaluation process that is managed through its corporate Project Management Office that is able to identify additional opportunities from changes in consumer behaviour as they arise. Husky currently blends biofuels above provincial and federal standards in many jurisdictions, providing lower-carbon fuels to the market. In 2015, the use of ethanol blended fuel helped prevent the emission of 34,000 tonnes of CO2e.	Cost of management

**Further Information**



**Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading****Page: CC7. Emissions Methodology****CC7.1****Please provide your base year and base year emissions (Scopes 1 and 2)**

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Sat 01 Jan 2011 - Sat 31 Dec 2011	10320000
Scope 2 (location-based)	Sat 01 Jan 2011 - Sat 31 Dec 2011	2310000
Scope 2 (market-based)	Sat 01 Jan 2011 - Sat 31 Dec 2011	2310000

**CC7.2****Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions**

Please select the published methodologies that you use
Canadian Association of Petroleum Producers, Calculating Greenhouse Gas Emissions, 2003
IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2003
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

**CC7.2a****If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions**

Western Climate Initiative: Quantification Method 2013 Addendum to Canadian Harmonization Version (December 20, 2013);

Western Climate Initiative: Final Essential Requirements of Mandatory Reporting - 2011 Amendments for Harmonization of Reporting in Canadian Jurisdictions (December 21, 2011, as amended on February 10, 2012); and

Western Climate Initiative: Final Essential Requirements of Mandatory Reporting - 2010 Amended for Canadian Harmonization (December 17, 2010).

**CC7.3****Please give the source for the global warming potentials you have used**

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)

**CC7.4****Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page**

Fuel/Material/Energy	Emission Factor	Unit	Reference
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**Further Information****Page: CC8. Emissions Data - (1 Jan 2015 - 31 Dec 2015)****CC8.1**

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

**CC8.2**

Please provide your gross global Scope 1 emissions figures in metric tonnes CO<sub>2</sub>e

11900000

**CC8.3**

Does your company have any operations in markets providing product or supplier specific data in the form of contractual instruments?

Yes

**CC8.3a**

Please provide your gross global Scope 2 emissions figures in metric tonnes CO<sub>2</sub>e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
2430000	2430000	Husky does not currently purchase any electricity with source-specific emission factors. The jurisdictions where the Company has operations do not supply a residual mix grid emissions factor. Electricity emissions factors are taken from the 2016 Canadian National Inventory Report as submitted to the United Nations Framework Convention on Climate Change or supplied by grid operators where available.

**CC8.4**

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

**CC8.4a**

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded
Drilling and Completions Emissions	Emissions are not relevant	Emissions are not relevant	Emissions are not relevant	Drilling and completions operations emissions are only estimated and reported in jurisdictions where mandated. During 2015, the Company's onshore drilling was focused primarily on the development of Heavy Oil, Oil Sands, and gas resource plays. Oil related drilling and completion activity in Western Canada was substantially curtailed throughout 2015 primarily due to limited capital investment in a low commodity price environment.
Emissions from Husky owned and operated vehicles that are operated outside of specific large-emitting facilities	Emissions are not relevant	No emissions from this source	No emissions from this source	Husky estimates that this is not a major emissions source at this time.

**CC8.5**

**Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations**

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Metering/ Measurement Constraints	Fuel, flare and vent volumes are used to calculate GHG emissions from a very large number of small facilities. Engineering estimates are often used to estimate fuel consumption for small sources where it is impractical to install and service a meter. This adds to the uncertainty.
Scope 2 (location-based)	More than 5% but less than or equal to 10%	Assumptions Data Management	Scope 2 emissions are based on the invoiced energy purchases, and are believed to be accurate and auditable. Electricity Volumes are taken from aggregated invoices where possible. Some transmission and distribution losses may be included, which should be Scope 3 emissions.
Scope 2 (market-based)	More than 5% but less than or equal to 10%	Other: Residual mix data unavailable	The jurisdictions where Husky operates do not have residual mix grid emissions factors available at this time.

**CC8.6**

**Please indicate the verification/assurance status that applies to your reported Scope 1 emissions**

Third party verification or assurance process in place

**CC8.6a**

**Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements**

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Reasonable assurance	<a href="https://www.cdp.net/sites/2016/75/8675/Climate%20Change%202016/Shared%20Documents/Attachments/CC8.6a/2015%20Husky%20BC%20LFO%20GHG%20Verification%20Statement.pdf">https://www.cdp.net/sites/2016/75/8675/Climate Change 2016/Shared Documents/Attachments/CC8.6a/2015 Husky BC LFO GHG Verification Statement.pdf</a>	3,6,7	ISO14064-3	1
Annual process	Complete	Reasonable assurance	<a href="https://www.cdp.net/sites/2016/75/8675/Climate%20Change%202016/Shared%20Documents/Attachments/CC8.6a/2015%20Husky%20Ram%20River%20AB%20SGER%20GHG%20Verification%20Statement%20(scanned).pdf">https://www.cdp.net/sites/2016/75/8675/Climate Change 2016/Shared Documents/Attachments/CC8.6a/2015 Husky Ram River AB SGER GHG Verification Statement (scanned).pdf</a>	28,29,31	ISO14064-3	3
Annual process	Complete	Reasonable assurance	<a href="https://www.cdp.net/sites/2016/75/8675/Climate%20Change%202016/Shared%20Documents/Attachments/CC8.6a/2015%20Husky%20Tucker%20AB%20SGER%20GHG%20Verification%20Statement%20(scanned).pdf">https://www.cdp.net/sites/2016/75/8675/Climate Change 2016/Shared Documents/Attachments/CC8.6a/2015 Husky Tucker AB SGER GHG Verification Statement (scanned).pdf</a>	28,29,31	ISO14064-3	5
Annual process	Complete	Reasonable assurance	<a href="https://www.cdp.net/sites/2016/75/8675/Climate%20Change%202016/Shared%20Documents/Attachments/CC8.6a/2015%20Husky%20Prince%20George%20Refinery%20GHG%20Verification%20Statement.pdf">https://www.cdp.net/sites/2016/75/8675/Climate Change 2016/Shared Documents/Attachments/CC8.6a/2015 Husky Prince George Refinery GHG Verification Statement.pdf</a>	3,6,7	ISO14064-3	1

**CC8.7**

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

No third party verification or assurance

**CC8.8**

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Progress against emission reduction target	For facilities that are governed by the Alberta Specified Gas Emitters Regulation, verification work is in relation to a baseline year for the purposes of evaluating progress towards emissions reduction obligations.

**CC8.9**

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

**CC8.9a**

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

219000

**Further Information**

**Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)****CC9.1****Do you have Scope 1 emissions sources in more than one country?**

Yes

**CC9.1a****Please break down your total gross global Scope 1 emissions by country/region**

Country/Region	Scope 1 metric tonnes CO2e
Canada	10680000
United States of America	1220000

**CC9.2****Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)**

By facility  
 By GHG type  
 By activity

**CC9.2b****Please break down your total gross global Scope 1 emissions by facility**

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
Lloydminster Upgrader	1270000	53.263	-109.9489
Lima Refinery	1220000	40.721323	-84.114139
Sunrise Energy Project	610000	57.2415	-111.0596
Tucker Thermal Project	560000	54.3427	-110.3287
Sea Rose FPSO	540000	46.7215	-48.1341
Bolney Lloyd Thermal Project	490000	53.527	-109.3568
Ram River Gas Plant	360000	52.1463	-115.33
Pikes Peak South Lloyd Thermal Project	290000	53.21062	-109.36673
Pikes Peak Lloyd Thermal Project	220000	53.2796	-109.3719
Rush Lake Lloyd Thermal Project	150000	53.1135	-108.9955
Prince George Refinery	120000	53.9268	-122.7028
Paradise Hill Lloyd Thermal Project	120000	53.6023	-109.4479
Sandall Lloyd Thermal Project	100000	53.40071	-109.43703
Lloydminster Refinery	90000	53.2885	-110.0183
Minnedosa Ethanol Plant	80000	50.2543	-99.8498
Rainbow Lake Gas Plant	50000	58.45067	-119.2384
All Other Husky Operated Facilities	5630000		

**CC9.2c**

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	7650000
CH4	4130000
N2O	120000

**CC9.2d**

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
Conventional Oil Production	4580000
Thermal Oil Production	2540000
Canadian Refining and Upgrading	1480000
Gas Production, Gathering, and Processing	1430000
U.S. Refining	1220000
Off Shore Oil Production	540000
Ethanol Production	110000

**Further Information**

Increases in Scope 1 GHG emissions from the commencement of operations at the Sunrise Energy Project and Rush Lake Lloyd Thermal Project and outages at the Lima Refinery were partially offset by gas conservation activities in Husky's Heavy Oil business as well as natural declines in Canada as a result of reduced capital investment.

**Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2015 - 31 Dec 2015)**

**CC10.1**

Do you have Scope 2 emissions sources in more than one country?

Yes

**CC10.1a**

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Canada	1920000	1920000	3535000	
United States of America	510000	510000	975000	

**CC10.2**

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By activity

**CC10.2c****Please break down your total gross global Scope 2 emissions by activity**

Activity	Scope 2 emissions, location based (metric tonnes CO2e)	Scope 2 emissions, market-based (metric tonnes CO2e)
Canadian Refining and Upgrading	545000	545000
Conventional Oil Production	530000	530000
U.S. Refining	510000	510000
Gas Production, Gathering, and Processing	320000	320000
Thermal Oil Production	270000	270000
Other Upstream Operations	135000	135000
Ethanol Production	120000	120000

**Further Information****Page: CC11. Energy****CC11.1****What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

**CC11.2****Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year**

Energy type	Energy purchased and consumed (MWh)
Heat	0
Steam	1900000
Cooling	0

**CC11.3****Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year**

40615000

**CC11.3a****Please complete the table by breaking down the total "Fuel" figure entered above by fuel type**

Fuels	MWh
Natural gas	33645000
Refinery gas	6925000

Fuels	MWh
Diesel/Gas oil	45000

**CC11.4**

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor		

**CC11.5**

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
2610000	2610000	0	0	0	

**Further Information****Page: CC12. Emissions Performance****CC12.1**

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

**CC12.1a**

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	0.9	Decrease	In 2015, Husky estimates 115,000 tonnes of CO <sub>2</sub> e combined S1 and S2 emissions were reduced through emissions reduction projects. Husky's total combined S1 and S2 emissions in the previous year were 13,560,000 tCO <sub>2</sub> e. Thus $115,000 / 13,560,000 * 100 = 0.9\%$ .
Divestment			
Acquisitions			
Mergers			
Change in output	4.8	Increase	Increases in emissions from startup of the Sunrise Energy Project and the Rush Lake Lloyd Thermal Project as well as outages at the Lima refinery were partially offset by declining natural production in mature properties in Husky's Western Canada conventional business.



Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

**CC12.1b**  
Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

**CC12.2**  
Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO<sub>2</sub>e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.00088	metric tonnes CO <sub>2</sub> e	16369000000	Location-based	55.5	Increase	There was a 48% decrease in the average price of West Texas Intermediate Crude from 2014 to 2015, with similar decreases for the other main commodities that impact Husky's revenues. Production also lags emissions during the startup of thermal projects like Sunrise and Rush Lake. This increase was partially offset by Husky's emission reduction activities.

**CC12.3**  
Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.0610	metric tonnes CO <sub>2</sub> e	barrel of oil equivalent (BOE)	234920000	Location-based	5.4	Increase	Production volumes lag emissions during the startup of thermal projects like Sunrise and Rush Lake. Downstream throughput was reduced due to outages at the Lima Refinery.

**Further Information**

The revenue figures used in CC12.2 are from Husky's 2015 Annual Report and reported on a net equity consolidation basis. Emissions are reported on an operational control consolidation basis. Sales volumes in barrels of oil equivalent used for the denominator of the intensity metric in CC12.3 include upstream and downstream sales volumes as reported in Husky's 2015 Annual Report and described in OG5.1.

## Page: CC13. Emissions Trading

### CC13.1

Do you participate in any emissions trading schemes?

Yes

### CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
Alberta Emissions Trading Regulation	Thu 01 Jan 2015 - Thu 31 Dec 2015	853206	69362	917632	Other: Facilities we operate and either own outright or jointly

### CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

Husky seeks to reduce emissions at its facilities through improved energy and emissions management and offsets the balance of compliance obligations through the use of emissions performance credits, purchases of project based carbon offsets, and purchases of Climate Change Emissions Management Fund credits.

In the future, budgeting for the purchase of emission reduction credits and / or offsets will be considered.

### CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

### CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit purchase	Energy efficiency: industry	Genalta Power Aggregated Waste Heat Recovery Project	Other: ISO 14064:3, ISO 14065	7900	7900	No	Compliance

### Further Information

## Page: CC14. Scope 3 Emissions

**CC14.1****Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions**

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO <sub>2</sub> e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Capital goods	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Upstream transportation and distribution	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Waste generated in operations	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Business travel	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Employee commuting	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Upstream leased assets	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Downstream transportation and distribution	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Processing of sold products	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Use of sold products	Relevant, calculated	18300000	Emission factors are from EPA 40 CFR part 98 subpart MM regulation.		Data is only provided where there is a regulatory requirement to disclose end use of sold product emissions. This includes Husky's Downstream assets in the U.S.
End of life treatment of sold products	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Downstream leased assets	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Franchises	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Investments	Not relevant, explanation provided				This source of Scope 3 GHG emissions is not material when compared against the emissions related to the end-use combustion and / or oxidation of the products sold by Husky.
Other (upstream)					
Other (downstream)					

**CC14.2**

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

No third party verification or assurance

**CC14.3**

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

**CC14.3a**

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Use of sold products	Change in output	13.7	Decrease	In 2015, throughput at the Lima Refinery decreased due primarily due to unplanned outages in the isocracker and coker units.

**CC14.4**

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, other partners in the value chain

#### CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagement and measures of success

Methods of engagement:

Husky engages with its JV partners on large projects through JV committees that discuss numerous issues, including GHG emissions. Specifically, Husky and BP collaborate on GHG issues related to BP-Husky Refining LLC and the Sunrise Energy Project.

Strategy:

Husky focuses on GHG engagement with value chain partners where there is a major risk posed by exposure to climate-related issues such as regulatory changes.

Success is measured through financial indicators, including performance against carbon-related fee targets for facilities that fall under a regulatory scheme that includes a compliance cost for carbon emissions.

#### Further Information

**Module: Sign Off**

**Page: CC15. Sign Off**

#### CC15.1

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

Name	Job title	Corresponding job category
Robert J. Peabody	Chief Operating Officer	Chief Operating Officer (COO)

#### Further Information

**Module: Oil & Gas**

**Page: OG0. Reference information**

#### OG0.1

Please identify the significant petroleum industry components of your business within your reporting boundary (select all that apply)

Exploration, production & gas processing  
 Storage, transportation & distribution  
 Specialty operations  
 Refining  
 Retail & marketing

**Further Information**

For the purposes of this CDP response, Husky defines the Refining segment as including refining, upgrading and associated downstream business operations. Specialty Operations includes ethanol production.

**Page: OG1. Production & reserves by hydrocarbon type - (1 Jan 2015 - 31 Dec 2015)****OG1.1**

**Is your organization involved with oil & gas production or reserves?**

Yes

**OG1.2**

**Please provide values for annual gross and net production by hydrocarbon type (in units of BOE) for the reporting year in the following table. The values required are aggregate values for the reporting organization**

Product	Gross production (BOE)	Net production (BOE)	Production consolidation boundary
Conventional non-associated natural gas	41910000		Equity share
Associated natural gas			
Shale gas			
Tight gas			
Natural gas condensate	6640000		Equity share
Natural gas liquids (NGL)			
Light oil	29380000		Equity share
Medium oil			
Shale oil			
Tight oil			
Heavy oil	25220000		Equity share
Bitumen (oil sands)	23030000		Equity share

**OG1.3**

**Please provide values for reserves by hydrocarbon type (in units of BOE) for the reporting year. Please indicate if the figures are for reserves that are proved, probable or both proved and probable. The values required are aggregate values for the reporting organization**

Product	Country/region	Reserves (BOE)	Date of assessment	Proved/Probable/Proved+Probable
Natural gas liquids (NGL)	Canada	172000000	Thu 31 Dec 2015	Proved
Light oil				
Medium oil				
Natural gas liquids (NGL)	Rest of world	24000000	Thu 31 Dec 2015	Proved
Light oil				
Medium oil				
Heavy oil	Canada	113000000	Thu 31 Dec 2015	Proved
Bitumen (oil sands)	Canada	625000000	Thu 31 Dec 2015	Proved
Conventional non-associated natural gas	Canada	289000000	Thu 31 Dec 2015	Proved
Associated natural gas				
Coalbed methane				

Product	Country/region	Reserves (BOE)	Date of assessment	Proved/Probable/Proved+Probable
Conventional non-associated natural gas Associated natural gas	Rest of world	101000000	Thu 31 Dec 2015	Proved

**OG1.4**

**Please explain which listing requirements or other methodologies you have used to provide reserves data in OG1.3. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this**

Husky's oil and gas reserves are estimated in accordance with the standards contained in the COGEH, and the reserves data disclosed conforms with the requirements of National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" ("NI 51-101"). All of Husky's oil and gas reserves are prepared by internal reserves evaluation staff using a formalized process for determining, approving and booking reserves. This process requires all reserves evaluations to be done on a consistent basis using established definitions and guidelines. Approval of individually significant reserves changes requires review by an internal panel of qualified reserves evaluators. The Audit Committee of the Board of Directors has examined Husky's procedures for assembling and reporting reserves data and other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has approved, on the recommendation of the Audit Committee, the content of Husky's disclosure of its reserves data and other oil and gas information. The reserves in OG1.3 are Husky's gross reserves, which are the working interest share of reserves before deduction of royalties and without including any royalty interests.

**OG1.5**

**Please provide the average breakeven cost of current production used in estimation of proven reserves**

Hydrocarbon/project	Breakeven cost/BOE	Comment
---------------------	--------------------	---------

**OG1.6**

**In your economic assessment of hydrocarbon reserves, resources or assets, do you conduct scenario analysis and/or portfolio stress testing consistent with a low-carbon energy transition?**

Yes, other

**OG1.6a**

**Please describe your scenario analysis and/or portfolio stress testing, the inputs used and the implications for your capital expenditure plans and investment decisions**

Husky models project carbon costs conservatively based on current and emerging policies in any given jurisdiction where the Company operates, or is considering capital outlay. These costs are used to inform investment decisions for each project and also to understand regulatory risk exposure. Inputs include production forecasts, engineering estimates of emissions intensity, and carbon pricing models for each jurisdiction.

**Further Information**

The data in OG 1.2 are consolidated by net-equity share as reported in Husky's 2015 Annual Report. Husky reported Conventional Natural Gas for year end 2015 reserves as per the definition in NI 51-101, effective July 1, 2015. Associated and Non-Associated Gas are not defined terms within NI 51-101.

**Page: OG2. Emissions by segment in the O&G value chain - (1 Jan 2015 - 31 Dec 2015)**

**OG2.1**

**Please indicate the consolidation basis (financial control, operational control, equity share) used to report the Scope 1 and Scope 2 emissions by segment in the O&G value chain. Further information can be provided in the text box in OG2.2**

Segment	Consolidation basis for reporting Scope 1 emissions	Consolidation basis for reporting Scope 2 emissions
Exploration, production & gas processing	Operational Control	Operational Control

Segment	Consolidation basis for reporting Scope 1 emissions	Consolidation basis for reporting Scope 2 emissions
Specialty operations	Operational Control	Operational Control
Refining	Operational Control	Operational Control

**OG2.2**

Please provide clarification for cases in which different consolidation bases have been used and the level/focus of disclosure. For example, a reporting organization whose business is solely in storage, transportation and distribution (STD) may use the text box to explain why only the STD row has been completed

For the purposes of this CDP response, Husky defines the Refining Segment as including refining, upgrading and associated Downstream business operations. Specialty Operations includes ethanol production.

**OG2.3**

Please provide masses of gross Scope 1 carbon dioxide and methane emissions in units of metric tonnes CO<sub>2</sub> and CH<sub>4</sub>, respectively, for the organization's owned/controlled operations broken down by value chain segment

Segment	Gross Scope 1 carbon dioxide emissions (metric tonnes CO <sub>2</sub> )	Gross Scope 1 methane emissions (metric tonnes CH <sub>4</sub> )
Exploration, production & gas processing	4955000	163500
Refining	2580000	1900
Specialty operations	110000	

**OG2.4**

Please provide masses of gross Scope 2 GHG emissions in units of metric tonnes CO<sub>2</sub>e for the organization's owned/controlled operations broken down by value chain segment

Segment	Gross Scope 2 emissions (metric tonnes CO <sub>2</sub> e)	Comment
Exploration, production & gas processing	1255000	
Refining	1050000	
Specialty operations	125000	

**Further Information**

**Page: OG3. Scope 1 emissions by emissions category - (1 Jan 2015 - 31 Dec 2015)**

**OG3.1**

Please confirm the consolidation basis (financial control, operational control, equity share) used to report Scope 1 emissions by emissions category

Segment	Consolidation basis for reporting Scope 1 emissions by emissions category
Exploration, production & gas processing	Operational Control
Specialty operations	Operational Control
Refining	Operational Control

**OG3.2**



**Please provide clarification for cases in which different consolidation bases have been used to report by emissions categories (combustion, flaring, process emissions, vented emissions, fugitive emissions) in the various segments**

For the purposes of this CDP response, Husky defines the Refining Segment as including refining, upgrading and associated Downstream business operations. Specialty Operations includes ethanol production.

### OG3.3

**Please provide masses of gross Scope 1 carbon dioxide and methane emissions released into the atmosphere in units of metric tonnes CO2 and CH4, respectively, for the whole organization broken down by emissions category**

Emissions category	Gross Scope 1 carbon dioxide emissions (metric tonnes CO2)	Gross Scope 1 methane emissions (metric tonnes CH4)
Combustion	5920000	5800
Flaring	825000	3300
Process emissions	650000	
Vented emissions	250000	155000
Fugitive emissions		1300

### OG3.4

**Please describe your organization's efforts to reduce flaring, including any flaring reduction targets set and/or its involvement in voluntary flaring reduction programs, if flaring is relevant to your operations**

Regulations in Alberta and Saskatchewan mandate both operational and economic evaluations that prioritize collection and conservation of produced gas over flaring. In addition, Husky engages in voluntary and collaborative efforts with government and industry organizations to reduce flaring through application of technology and sharing of knowledge and experience.

### Further Information

**Page: OG4. Transfers & sequestration of CO2 emissions - (1 Jan 2015 - 31 Dec 2015)**

### OG4.1

**Is your organization involved in the transfer or sequestration of CO2?**

Yes

### OG4.2

**Please indicate the consolidation basis (financial control, operational control, equity share) used to report transfers and sequestration of CO2 emissions**

Activity	Consolidation basis
Transfers	Operational Control
Sequestration of CO2 emissions	Operational Control

### OG4.3

**Please provide clarification for cases in which different consolidation bases have been used (e.g. for a given activity, capture, injection or storage pathway)**

### OG4.4

Using the units of metric tonnes of CO<sub>2</sub>, please provide gross masses of CO<sub>2</sub> transferred in and out of the reporting organization (as defined by the consolidation basis). Please note that questions of ownership of the CO<sub>2</sub> are addressed in OG4.6

Transfer direction	CO <sub>2</sub> transferred – Reporting year
CO <sub>2</sub> transferred in	27000
CO <sub>2</sub> transferred out	0

**OG4.5**

Please provide clarification on whether any oil reservoirs and/or sequestration system (geological or oceanic) have been included within the boundary of the reporting organization. Provide details, including degrees to which reservoirs are shared with other entities

Husky injects CO<sub>2</sub> into several reservoirs in the Lloydminster area of Saskatchewan for the purposes of enhanced oil recovery.

**OG4.6**

Please explain who (e.g. the reporting organization) owns the transferred emissions and what potential liabilities are attached. In the case of sequestered emissions, please clarify whether the reporting organization or one or more third parties owns the sequestered emissions and who has potential liability for them

**OG4.7**

Please provide masses in metric tonnes of gross CO<sub>2</sub> captured for purposes of carbon capture and sequestration (CCS) during the reporting year according to capture pathway. For each pathway, please provide a breakdown of the percentage of the gross captured CO<sub>2</sub> that was transferred into the reporting organization and the percentage that was transferred out of the organization (to be stored)

Capture pathway in CCS	Captured CO <sub>2</sub> (metric tonnes CO <sub>2</sub> )	Percentage transferred in	Percentage transferred out
Separation of CO <sub>2</sub> from industrial process gas streams	95000	11.2%	0%
Flue gas CO <sub>2</sub> separation	500	0%	0%

**OG4.8**

Please provide masses in metric tonnes of gross CO<sub>2</sub> injected and stored for purposes of CCS during the reporting year according to injection and storage pathway

Injection and storage pathway	Injected CO <sub>2</sub> (metric tonnes CO <sub>2</sub> )	Percentage of injected CO <sub>2</sub> intended for long-term (>100 year) storage	Year in which injection began	Cumulative CO <sub>2</sub> injected and stored (metric tonnes CO <sub>2</sub> )
CO <sub>2</sub> used for enhanced oil recovery (EOR) or enhanced gas recovery (EGR)	241000	0%	2008	320000

**OG4.9**

Please provide details of risk management performed by the reporting organization and/or third party in relation to its CCS activities. This should cover pre-operational evaluation of the storage (e.g. site characterisation), operational monitoring, closure monitoring, remediation for CO<sub>2</sub> leakage, and results of third party verification

**Further Information**

**Page: OG5. Sales and emissions intensity - (1 Jan 2015 - 31 Dec 2015)**

**OG5.1**

Please provide values for annual sales of hydrocarbon types (in units of BOE) for the reporting year in the following table. The values required are aggregate values for the reporting organization

Product	Sales (BOE)
Conventional non-associated natural gas	41910000
Associated natural gas	
Shale gas	
Tight gas	
Light oil	29380000
Medium oil	
Shale oil	
Tight oil	
Natural gas condensate	6640000
Natural gas liquids (NGL)	
Heavy oil	25220000
Bitumen (oil sands)	23030000
Synthetic oil	18650000
Refined products	88910000

#### OG5.2

Please provide estimated emissions intensities (Scope 1 + Scope 2) associated with current production and operations

Year ending	Segment	Hydrocarbon/product	Emissions intensity (metric tonnes CO2e per thousand BOE)	% change from previous year	Direction of change from previous year	Reason for change
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#### OG5.3

Please clarify how each of the emissions intensities has been derived and supply information on the methodology used where this differs from information already given in answer to the methodology questions in the main information request

Husky does not disclose segment-level emission intensities. For question OG 5.1, Refined Products includes ethanol sales and is calculated based on refinery throughputs as reported in Husky's 2015 Annual Report. Sales volumes for question OG5.1 are reported on a net equity consolidation basis.

#### Further Information

**Page: OG6. Development strategy - (1 Jan 2015 - 31 Dec 2015)**

#### OG6.1

For each relevant strategic development area, please provide financial information for the reporting year

Strategic development area	Describe how this relates to your business strategy	Sales generated	EBITDA	Net assets	CAPEX	OPEX	Comment
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#### OG6.2

Please describe your future capital expenditure plans for different strategic development areas

Strategic development area	CAPEX	Total return expected from CAPEX investments	Comment
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**OG6.3**

Please describe your current expenses in research and development (R&D) and future R&D expenditure plans for different strategic development areas

Strategic development area	R&D expenses – Reporting year	R&D expenses – Future plans	Comment
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**Further Information****Page: OG7. Methane from the natural gas value chain****OG7.1**

Please indicate the consolidation basis (financial control, operational control, equity share) used to prepare data to answer the questions in OG7

Segment	Consolidation basis
Exploration, production & gas processing	Operational Control

**OG7.2**

Please provide clarification for cases in which different consolidation bases have been used

**OG7.3**

Does your organization conduct leak detection and repair (LDAR), or use other methods to find and fix fugitive methane emissions?

Yes

**OG7.3a**

Please describe the protocol through which methane leak detection and repair, or other leak detection methods, are conducted, including predominant frequency of inspections, estimates of assets covered, and methodologies employed

Husky meets or exceeds regulatory compliance requirements for monitoring and reporting to effectively address risk. Prescriptive programs are in place at Company facilities for leak detection and repair of fugitive emission sources. Alberta, Saskatchewan, and British Columbia regulations prioritize targeted facilities that are generally defined by licence type, size, throughput, or qualitative observations. Monitoring frequencies are generally flexible and variable with an annual baseline frequency. Methodologies used included infrared cameras, hand held gas detectors, soapy water investigations on point sources, toxic/organic vapour analyzers, photo ionization detector, ultrasound probe, or third-party evaluation or other justifiable and defensible methods.

**OG7.4**

Please indicate the proportion of your organization's methane emissions inventory estimated using the following methodologies (+/- 5%)

Methodology	Proportion of total methane emissions estimated with methodology	What area of your operations does this answer relate to?
Direct detection and measurement		
Engineering calculations	>75%	All
Source-specific emission factors (IPCC Tier 3)		

Methodology	Proportion of total methane emissions estimated with methodology	What area of your operations does this answer relate to?
IPCC Tier 1 and/or Tier 2 emission factors		

**OG7.5**

Please use the following table to report your methane emissions rate

Year ending	Segment	Estimate total methane emitted expressed as % of natural gas production or throughput at given segment	Estimate total methane emitted expressed as % of total hydrocarbon production or throughput at given segment

**OG7.6**

Does your organization participate in voluntary methane emissions reduction programs?

Yes

**OG7.6a**

Please describe your organization's participation in voluntary methane emissions reduction programs

Husky continues engagement with regulators in order to contribute to the development of voluntary methane emission reduction programs to meet federal and provincial targets.

**OG7.7**

Were methane emissions incorporated in targets reported in CC3?

Yes

**OG7.7a**

Please describe how methane emissions were incorporated in your target and provide the relevant details (base year, % reduction from base year, target year) of your methane emissions reduction target if not already described in CC3

Targets listed in CC3 are facility wide and cover all component GHG emissions.

**Further Information**

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