

# 2021 ESG/Sustainability Reporting

Financial Stability Board (FSB)

Task Force on Climate-related Financial Disclosure (TCFD)

As of August 4, 2022



To continue providing diligent reporting of our performance, and to align with stakeholder and shareholder expectations, our ESG/sustainability reporting continues to be enhanced to align with recommendations from the Financial Stability Board (FSB) Task Force on Climate-Related Financial Disclosures (TCFD). The table below provides links to disclosures where Canadian Natural is aligned with the TCFD recommendations.

TCFD Framework Recommended Disclosures	Canadian Natural Climate/GHG Disclosures
<b>GOVERNANCE</b>	
Describe the <b>board's oversight</b> of climate-related risks and opportunities.	<a href="#">CDP Climate</a> , questions C1.1a-d, C1.2a, C1.3 <a href="#">2021 Stewardship Report to Stakeholders</a> , pages 10-11 <a href="#">Management Information Circular (MIC)</a> , pages A-4 to A-9 <a href="#">Health, Safety, Asset Integrity and Environmental Committee Charter</a>
Describe <b>management's role in assessing and managing</b> climate-related risks and opportunities.	<a href="#">2021 Stewardship Report to Stakeholders</a> , pages 10-11 <a href="#">MIC</a> , pages A-4 to A-9 <a href="#">Annual Information Form (AIF)</a> , pages 10-11 <a href="#">Health, Safety, Asset Integrity and Environmental Committee Charter</a> <a href="#">Corporate Statement on Environmental Management</a> <a href="#">CDP Climate</a> , questions C1.1a, C1.1b, C1.1d, C1.2, C1.2a, C1.3, C2.2
<b>STRATEGY</b>	
Describe the <b>climate-related risks and opportunities</b> the organization has identified over the short, medium, and long term.	<a href="#">AIF</a> , pages 10-17 <a href="#">CDP Climate</a> , questions C2.1 - C2.4a, C3.1b, C3.3, C3.4 <a href="#">2021 Annual Report</a> , pages 3-4, 39-43, 71-72 <a href="#">2021 Stewardship Report to Stakeholders</a> , pages 8, 15-20 <a href="#">MIC</a> , pages A-4, A-5
Describe the <b>impact</b> of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">2021 Stewardship Report to Stakeholders</a> , pages 3-4, 10-16 <a href="#">AIF</a> , pages 10-17 <a href="#">CDP Climate</a> , questions C2.1b, C2.3a, C2.4a, C3.3, C3.4
Describe the <b>resilience</b> of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<a href="#">2021 Stewardship Report to Stakeholders</a> , page 6 <a href="#">CDP Climate</a> , questions C3.2, C3.2a, C3.2b

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<b>RISK MANAGEMENT</b>	
Describe the organization's <b>processes for identifying and assessing</b> climate-related risks.	<a href="#">2021 Stewardship Report to Stakeholders</a> , pages 10-11 <a href="#">MIC</a> , pages A-4, A-5 <a href="#">AIF</a> , pages 9-17 <a href="#">Health, Safety, Asset Integrity and Environmental Committee Charter</a> <a href="#">CDP Climate</a> , questions C2.2, C2.2a, C2.3a, C4.3c
Describe the organization's <b>processes for managing</b> climate-related risks.	<a href="#">CDP Climate</a> , questions C2.2, C2.2a, 2.3a, C3.3, C3.4, C11.3a <a href="#">2021 Stewardship Report to Stakeholders</a> , pages 3-4, 10-11, 17-18
Describe <b>how processes</b> for identifying, assessing, and managing climate-related risks <b>are integrated</b> into the organization's overall risk management.	<a href="#">MIC</a> , pages A-4, A-5 <a href="#">AIF</a> , pages 10-17 <a href="#">2021 Stewardship Report to Stakeholders</a> , pages 10-11 <a href="#">CDP Climate</a> , questions C2.2, C2.2a
<b>METRICS AND TARGETS</b>	
<b>Disclose the metrics</b> used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">2021 Stewardship Report to Stakeholders</a> , pages 5-6, 13-14, 22-25, 40-42 <a href="#">AIF</a> , pages 9-17 <a href="#">MIC</a> , pages 23, 36-38, A-4, A-5 <a href="#">CDP Climate</a> , questions C2.2, C2.2a, C2.3a, C2.4a, C4.3c, C6.10 <a href="#">CDP Water</a> , question W1.2, W1.2b, W1.2c, W1.2h, W1.2i
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ( <b>GHG</b> ) <b>emissions</b> , and the related risks.	<a href="#">CDP Climate</a> , questions C6.1, C6.2, C6.3, C6.4a, C6.10, C-OG6.12, C-OG6.13, C7.1a, C-OG7.1b, C7.2, C7.3, C7.3a, C7.5, 7.6, C7.6c, C-OG7.7, C7.9b <a href="#">2021 Stewardship Report to Stakeholders</a> , pages 40-42
<b>Describe the targets</b> used by the organization to manage climate-related risks and opportunities and performance against targets.	<a href="#">2021 Stewardship Report to Stakeholders</a> , pages 5-6, 13-14, 22-25, 40-42 <a href="#">MIC</a> , pages 21-22, 36-37 <a href="#">CDP Climate</a> , questions C2.2, C2.3a, C2.4a, C3.2a, C4.1b, C4.2b-c, C4.3a-c, C4.5a, C-OG4.6, C-OG4.7a, C-OG4.8, C-OG6.12, C7.9a