

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Baytex Energy is an oil and gas corporation based in Calgary, Alberta, Canada. We are engaged in the acquisition, development and production of crude oil and natural gas in the Western Canadian Sedimentary Basin and in the Eagle Ford in the United States. Approximately 82% of our production is weighted toward crude oil and natural gas liquids. Our common shares trade on the Toronto Stock Exchange under the symbol BTE.

Our crude oil and natural gas operations are organized into three business units: 1) United States, which includes the Eagle Ford in Texas (non-operated), 2) Light Oil, which includes the Viking in Saskatchewan and the Duvernay in Alberta and 3) Heavy Oil, which includes Peace River and Lloydminster in Alberta and Saskatchewan. These business units have a portfolio of mineral leases, with operated and/or non-operated properties and development prospects. Within the business units, Baytex has established geographically-organized teams with a full complement of technical professionals (engineers, geoscientists and landmen). This comprehensive technical approach is intended to result in thorough identification and evaluation of exploration, development and acquisition opportunities and cost-effective execution of those opportunities. We endeavour to add value through internal property development and selective acquisitions.

We believe that by acting as a responsible energy producer in all aspects of our operations, not just financial, we create long-term sustainable value for all stakeholders. We focus on employee opportunities for personal growth, an improved quality of life in communities where we operate, business opportunities for Indigenous communities, and an attractive return on investment for shareholders. More broadly, society benefits from environmentally-responsible and sustainable development that produces reliable energy at a reasonable cost.

Developing oil and gas resources requires long-term commitment and cooperation. Openly sharing the company's Environmental, Social and Governance (ESG) performance with our stakeholders is important to achieving continued long-term success in resource development. Our efforts are focused on pragmatic and impactful opportunities to continuously improve our



operational practices. We monitor our impacts, set meaningful target to improve our performance and remain committed to transparent disclosures to our stakeholders. In the summer of 2021, we released the company's fifth biennial sustainability report, now called our ESG report.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2020	December 31, 2020	Yes	2 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Canada

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Upstream

Other divisions

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Director on board	Baytex's Reserves and Sustainability Committee is currently comprised of three members of the Board. One of the directors is appointed and acts as chair of this committee. In addition, the three member Human Resources and Compensation Committee of the Board have a role in adjudicating the Company's performance against the short-term incentive plan scorecard which includes an annual GHG emissions reduction target.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives 	<p>The Reserves and Sustainability Committee has specific responsibility for overseeing health, safety, environment, climate and other sustainability matters. These matters form part of our annual budget and performance objectives, which are monitored and reported on regularly. We have incorporated specific safety and GHG emissions targets into our short-term incentive plan scorecard. The Board has oversight for the activities of the Reserves and Sustainability Committee and the Human Resources and Compensation Committee.</p> <p>In relation to climate change and the reduction of the company's carbon footprint, the committee provides oversight of policies and standards, reviews</p>

	<p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>performance and discusses future opportunities. This committee meets twice a year to review benchmarking, performance and initiatives put in place to manage climate-related risks, reporting to the Board after each committee meeting.</p> <p>In alignment with the Task Force on Climate-related Financial Disclosures (TCFD), we have identified two types of climate-related risks: 1) physical risks, which are risks associated with physical impacts from climate change, and 2) transition risks, which are regulatory and business risks related to the transition to a lower-carbon economy.</p> <p>Management presents to the relevant Board committees and the full Board on these topics. The Board provides guidance, approves budgets for the plans to be implemented and reviews and approves the company's disclosures of the major risks faced by the company, including climate-related issues.</p>
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Quarterly
Other C-Suite Officer, please specify Vice President, Light Oil	Both assessing and managing climate-related risks and opportunities	As important matters arise
Other C-Suite Officer, please specify Vice President, Heavy Oil	Both assessing and managing climate-related risks and opportunities	As important matters arise
Other committee, please specify Reserves and Sustainability Committee	Both assessing and managing climate-related risks and opportunities	Half-yearly
Other, please specify Environmental Sustainability Team	Both assessing and managing climate-related risks and opportunities	As important matters arise

Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	As important matters arise

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our Board of Directors has four committees: the Audit Committee, the Human Resources and Compensation Committee, the Nominating and Governance Committee, and the Reserves and Sustainability Committee. Executive operations (management) report to the Reserves and Sustainability Committee and the full Board on environmental and social risks and opportunities.

Efforts are supported by two committees within the Corporation: the Health, Safety and Environment Committee and the Environmental Sustainability Team.

Baytex's Health, Safety and Environment Committee is comprised of the Chief Executive Officer, General Counsel and Corporate Secretary, the Operations Vice Presidents, the Health and Safety Manager and the Environment and Regulatory Manager. The committee reports to the Reserves and Sustainability Committee and the Board on issues related to health, safety, environment, climate and other sustainability matters. In relation to climate change and the reduction of the company's carbon footprint, the committee provides oversight of policies and standards, reviews performance and discusses future opportunities. This committee meets quarterly and reviews benchmarking, performance and initiatives that are put in place to manage climate related risks and reports to the Board as important matters arise.

Baytex's Environmental Sustainability Team (EST) is a cross-functional team of staff and Managers that are responsible for reporting climate-related issues and initiatives to the Operations Vice Presidents. The EST is responsible for monitoring, implementing and managing systems required to support these climate-related initiatives. The EST meets monthly and as required to assess climate change regulations and their impact on the company, review progress against corporate ESG targets and advance continuous improvement opportunities.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Provide incentives for the management of climate-related issues	Comment

Row 1	Yes	<p>ESG matters form part of our annual budget and performance objectives, which are monitored and reported on regularly.</p> <p>For many years, we have included safety and spill metrics as part of our scorecard. In 2020, we incorporated our GHG emissions intensity reduction target into our short-term incentive plan scorecard. This compensation applies to our executive team and all employees.</p>
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C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward		<p>The executive team is evaluated based on the achievement of objectives and goals, which includes GHG emissions intensity targets and corporate improvement initiatives. These objectives are endorsed by the Board and reported externally through annual reports and our ESG Report.</p> <p>In 2020, we incorporated our GHG emissions intensity reduction target into our short-term incentive plan scorecard. This compensation applies to all employees.</p>
All employees	Monetary reward		<p>In all jurisdictions where Baytex operates, there are emission regulations and/or targets. Our annual performance assessment for employees incorporates compliance or adherence to these regulations and targets.</p> <p>In 2020, we incorporated our GHG emissions intensity target into our short-term incentive plan scorecard. This compensation applies to all employees.</p>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	Aligns with regular business practices.
Medium-term	3	10	Aligns with regular business practices.
Long-term	10	20	Aligns with regular business practices.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Risks that could have a material future adverse effect on the operations, financial condition, the value and amount of our reserves and future sustainability of the business are considered substantive by the company.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Baytex has monthly, quarterly and annual long-range planning reviews and reporting processes in place as well as ongoing risk assessments within its business practices. When climate-related risks directly impact a sector of the company or a business procedure, a specific risk assessment and mitigation planning process will be undertaken. For example, emerging GHG regulations and changes to existing

regulations are assessed by the Environmental Sustainability Team to understand the current and future impact on the business. Findings and recommendations are communicated up to the executive management team and the Reserves and Sustainability Committee.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Our risk assessments consider the current legislative requirements for GHG and emission reductions. Our company philosophy is to always meet or exceed regulatory compliance requirements.
Emerging regulation	Relevant, sometimes included	Regular review of emerging GHG regulations and participation in government / industry working groups to: 1) provide input into the regulations as they are being developed and 2) better understand the future impact the regulations will have on the company.
Technology	Relevant, sometimes included	The impact of technology on lowering GHG emissions and helping to reduce the intensity of emissions is assessed. Technology risk can be viewed in a number of ways, from the risk of not utilizing appropriate technology to mitigate emissions through to the risk of not having appropriate emissions technology available (i.e. still in development stage and not ready for deployment).
Legal	Not evaluated	Currently not formally evaluated.
Market	Relevant, sometimes included	The risk of inaction or insufficient action on climate change and the subsequent market impacts on Baytex are evaluated. Baytex understands that in the future for a company to be a reputable participant in the market meaningful action on climate change is required.
Reputation	Relevant, always included	Baytex is aware that climate change issues are important to our investors and residents in the communities where we operate. As a result, how the company manages emissions and the potential impacts of climate change is becoming increasingly integrated in business strategy. We report emissions to: the Saskatchewan Ministry of Energy and Resources, Saskatchewan Ministry of the Environment, Alberta Energy Regulator, Alberta Climate Change Office, CDP, Canadian National Pollutant Release Inventory (NPRI), and to the EPA using the Electronic Greenhouse Gas Reporting Tool (e-GGRT). We have completed the integration of an emissions tracking database and continuously work to improve processes related to emissions data compilation and internal emissions reporting. Fuel, flare and vent gas reporting improvements are now a key focus as we continuously improve the accuracy and transparency of our emissions data.

Acute physical	Relevant, always included	Our operated oil and gas operations are located in western Canada. Our field operations could be impacted by severe weather events including flooding, wildfires, lightening and tornadoes. In the past the company has had to temporarily shut-in production due to flooding and wildfires. We have business interruption insurance for key infrastructure and property insurance coverage on larger facilities. These risks are largely unpredictable and uncontrollable, however Baytex does have systems in place that allow for the rapid implementation of emergency response measures and contingencies to reroute production to sales via trucks and rail if required. In addition, Baytex participates in wildfire control planning and emergency response exercises.
Chronic physical	Relevant, always included	When contemplating climate-related risk Baytex considers the effects of increasingly frequent extreme weather events on its operations and physical infrastructure. Examples would include wildfires, heavy precipitation events and temperature extremes (atypically hot and atypically cold events). All of the above-mentioned risks, while unpredictable, can cause material disruptions to production operations. As such, systems have been put in place that allow for the rapid implementation of emergency response and contingency plans designed to mitigate the impact of severe weather events.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased likelihood and severity of wildfires

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Our oil and gas operations are located in western Canada and the state of Texas in the United States. Examples of extreme weather events would include wildfires, heavy precipitation events, flooding and temperatures extremes. These events, while unpredictable, can cause material disruptions to production operations and damage to physical infrastructure.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Due to the unpredictable and short-term nature of these risks, a financial analysis has not been completed. In the past, the company has had to temporarily shut-in production due to flooding and wildfires.

Cost of response to risk

0

Description of response and explanation of cost calculation

These risks are largely unpredictable and uncontrollable, however Baytex does have contingencies in place to reroute production to sales via trucks and rail if required. In addition, Baytex participates in wildfire control and emergency response planning. The company has business interruption insurance for key infrastructure and property insurance coverage on larger facilities.

Comment

Costs are not easily quantifiable, but are manageable under most circumstances.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Tropical cyclones can impact production and refining capacity in various offshore producing regions (example: US Gulf Coast). This can have a positive or negative impact on commodity prices resulting from supply and/or demand disruptions. Based on our business, the impact is direct with our operations near San Antonio, Texas in the Eagle Ford Basin, in that it may impact production and sales revenues.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

A longer-term supply or demand disruption could have a meaningful impact on the company's sales revenues. Due to the uncertain nature of these risks, a financial analysis has not been completed.

Cost of response to risk

0

Description of response and explanation of cost calculation

These risks are largely unpredictable and uncontrollable, however Baytex has commodity price risk management policies and tools in place.

Comment

There are no direct costs.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation
Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Company-specific description

In 2018, the federal Greenhouse Gas Pollution Pricing Act came into effect in Canada. The Act implements a federal benchmark carbon pollution pricing system applied to fuel and combustible waste. The federal tax rate was \$10/tonne CO₂e in 2018 and increases \$10/tonne annually to \$50/tonne in 2022. The Canadian government has committed to further pricing increases that would see the carbon price increase by \$15/tonne annually to \$170/tonne in 2030. This federal backstop pricing impacts provincial jurisdictions that do not have an equivalent pricing system in place. On April 1, 2019 in the Province of Saskatchewan and on January 1, 2020 in the Province of Alberta the federal backstop programs took effect. Both provinces have subsequently obtained federal equivalency for Output Based Performance Standard programs which limit the direct financial exposure to the federal fuel tax. However, these programs have compliance costs associated when performance standards relative to an emissions benchmark cannot be fully met.

In Saskatchewan, the Output Based Performance System (OBPS) achieved federal equivalency in the fall of 2019. Baytex has registered its operated facilities as an aggregate in the OBPS program. This program requires an annual 1.25% reduction in stationary combustion to a total 15% reduction by 2030 from a 2018 baseline year. The province of Alberta has also achieved federal equivalency for its Technology Innovation and Emission Reduction (TIER) Regulations and Baytex has registered its producing oil and gas sites as an aggregate facility with a baseline year of 2020. The Alberta reduction requirement for 2020 was 10% immediately. Corporately compliance costs for 2020 were \$1 million.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Performance standard compliance fees for 2020 were \$1 million at \$30/tonne.

Cost of response to risk

Description of response and explanation of cost calculation

In the jurisdictions Baytex operates, management monitors and reviews developments to provincial and federal carbon pricing policies and the implementation of carbon pricing schemes. As the regulations evolve, there will be additional operational, administrative and reporting requirements associated with maintaining compliance with the output based performance systems.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology

Unsuccessful investment in new technologies

Primary potential financial impact

Increased capital expenditures

Company-specific description

Baytex actively invests in various technologies aimed at reducing our GHG emissions intensity. The technologies we invest in are both proven and unproven and, as such, some degree of risk exists where certain technologies ultimately do not meet our

expectations.

As we work towards reducing our GHG emissions capital is deployed, and can sometimes be lost, as projects utilizing new technologies are implemented. In order to minimize this risk, and ensure the most efficient means of GHG reduction, these technologies are trialled in smaller pilot projects before being deployed on a large scale.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost of response to risk

0

Description of response and explanation of cost calculation

The process of investing in new and existing technologies aimed at reducing GHG emissions and emissions intensity is one Baytex is committed to. To reduce the risk of investing heavily in technologies that are ultimately unsuccessful, Baytex ensures smaller scales trials of all new technologies (or new applications for existing technologies) before investing in larger scale deployment.

Comment

Baytex considers the capital invested in trials and testing new technologies to be a means of reducing our cost exposure on a longer-term time horizon. Investing, understanding, and finding better ways to reduce emissions today, allows us to more effectively set and meet GHG related targets going forward.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Enhanced emissions-reporting obligations

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Regulatory uncertainty exists in the Canadian oil and gas sector as new or increasingly stringent climate-related regulations are announced and come into force. In Canada the regulation of energy and natural resources, including environmental impacts, are shared between the federal and provincial governments. The Provinces take responsibility for energy and natural resources within their boundaries and have bodies to govern these activities and federal methane regulations are in force. The Provinces of Alberta and Saskatchewan have developed GHG emissions reduction programs of their own that have achieved equivalency with the federal regulations. Initial methane reduction standards came into effect January 1, 2020. These programs have increasing regulatory stringency in subsequent years and, if specified climate-related outcomes are not met, additional regulations may come into force. We continue to monitor ongoing developments and proposed regulations to ensure regulatory compliance can be achieved.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

0

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Additional costs associated with more stringent methane regulations include increased infrastructure deployment, changes to operating practices, equipment inventorying and upgrades, air monitoring and meeting additional reporting requirements. Internal staff are being used where possible, with their roles being expanded to include the additional inventorying, surveying or reporting. We engage specialized third parties when needed in areas of environmental engineering, verification, measurement, and grant writing. In 2020 the financial impact of these additional regulations was \$215,000.

Cost of response to risk

215,000

Description of response and explanation of cost calculation

Baytex's risk assessments consider the current legislative requirements for methane and emission reduction requirements. Our company philosophy is to always meet or exceed regulatory compliance requirements. Emerging GHG regulations are regularly reviewed and Baytex participates in government and industry working groups. This ensures the opportunity to provide input into the regulations as they are being developed and ensures a better understanding of the future impact of regulatory changes.

Many existing processes and systems can be leveraged to implement regulatory changes. For example, Baytex's Peace River operations fall under Directive 84 and a fugitive emission monitoring program is in place. A system was implemented internally to schedule fugitive emissions inspections and store inspection data for regulatory reporting. These learnings and processes have been leveraged across all Canadian operations to ensure compliance with provincial regulations pertaining to fugitive emissions.

Comment

Management evaluates the costs of improvements to current systems or the necessity of implementing new applications and processes to ensure regulatory compliance. Direct operating cost impacts and capital investment requirements related to regulatory compliance activities are considered and budgeted for. For example, compliance with Saskatchewan's Methane Action Plan required capital investments which were included in the 2019 and 2020 capital budgets; these expenditures, related to methane mitigation, were tracked throughout the year and reported to management and the Board.

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Chronic weather changes included precipitation events and temperature extremes (atypically hot and atypically cold events).

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

These events could result in a decrease in revenues related to production downtime.

Cost of response to risk

0

Description of response and explanation of cost calculation

The geographical dispersion of our assets helps mitigate the potential impact on our physical assets. In addition, we have business interruption insurance in place for key infrastructure.

Comment

Costs are not easily quantifiable, but are manageable under most circumstances.

Identifier

Risk 7

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology
Transitioning to lower emissions technology

Primary potential financial impact

Increased capital expenditures

Company-specific description

Technology risks include not having appropriate emissions technology available. As we endeavor to improve our emissions performance and decarbonize our assets there is the risk that applicable technology will be in the development stage and not ready for deployment.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

There could be additional capital costs related to the development or trialling of new technologies.

Cost of response to risk

0

Description of response and explanation of cost calculation

To remain current on technology and innovation we have an internal technology bulletin board. Employees collaborate on technological developments, including emissions reduction opportunities. Staying current and encouraging collaboration within the company and with peers reduces our technology related risks.

Comment

Identifier

Risk 8

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Market impacts could result from perceived inaction or insufficient action on climate change. In the future for a company to be a reputable participant in the market, meaningful action on climate change is required.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The future financial implication could include lower product pricing or a decrease in demand for products.

Cost of response to risk

0

Description of response and explanation of cost calculation

We track our emissions performance, set reduction targets for meaningful improvements and are committed to transparent disclosures to our stakeholders.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Baytex's Viking light oil assets are predominantly centralized in the Kindersley, Saskatchewan area where there is limited gas conservation infrastructure in place. For 2018, the Viking assets emitted 1,954,582 tonnes CO₂e with an intensity of 0.254 tonnes CO₂e per BOE. In 2019 and 2020 Baytex increased its efforts to conserve gas and mitigate methane in the region in an effort to reduce its emissions intensity and ensure compliance with the new Saskatchewan methane reduction regulations. The result was a 61% decrease in the emissions intensity of the Viking from 2018 to 2020.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Cost to realize opportunity

15,000,000

Strategy to realize opportunity and explanation of cost calculation

Ongoing initiatives in the Viking will include: installation of combustors/flare stacks at higher emission sites, increasing capacity of current gas conservation infrastructure, power generation, new multi-well pad site development and evaluation of new gas conservation projects.

Comment

The Viking GHG reduction initiative will impact current operations and future development plans. To date \$15 million has been spent on this initiative.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

Our five-year outlook corporate modelling is incorporated into our emissions forecasting. This is used to assess the impacts of asset level development changes and reduction initiatives on the overall emissions profile of the company. Target setting is used to guide performance and ensure ongoing compliance with GHG policies into the future. We have not implemented a climate-related scenario analysis due the uncertainty around GHG policy and regulation development in recent years. Our efforts have been focused on pragmatic solutions for reducing our GHG emissions intensity and continuous improvement of our sustainable operating procedures.

We recognize that a thorough understanding of climate-related risks is important to strategic planning and we plan to integrate scenario analysis in the next two years.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Products are evaluated to determine the most pragmatic and effective solution for lowering the GHG emissions intensity of our operations, while older more emissions intense products are phased out.</p> <p>For example, we have worked with a local service provider to improve enclosed combustor technology which is higher efficiency than traditional flaring. While technologies that no longer support our GHG reduction initiatives, such as high-bleed pneumatic devices, are no longer being purchased by Baytex.</p>
Supply chain and/or value chain	Yes	<p>We actively support innovation in our service providers and give preference to companies that are demonstrating continual improvements in their environmental performance, including emissions reductions.</p>

		In particular, when bidding out our drilling and completions contracts, lower emissions technologies are given preference when available. This includes dual-fuel drilling rigs which run on lower-emission compressed natural gas and diesel.
Investment in R&D	Yes	Emission reduction initiatives influence R&D investment as the company executes programs designed to mitigate climate-related risks. Examples would be: working closely with vendors to develop low gas volume high efficiency combustor and odour eliminating technologies.
Operations	Yes	<p>There is an influence on our operations associated with the transition to lower emissions intensity production including additional associated logistics and operating requirements. Development planning takes into consideration the benefits of consolidating production sites through multi-well pad and extended reach horizontal wells. These options have higher consolidated production for future gas conservation opportunities.</p> <p>The Viking methane mitigation program has changed a standard new well setup design. In the Peace River region, operations have changed significantly over the years with the multi-year gas conservation project. There is significant associated capital investment allocated to equipment and gas conservation projects.</p> <p>The impact on the company's emissions profile is considered when contemplating acquisitions or new development programs.</p> <p>There has been a positive cultural influence on the operations teams as the company continually improves its sustainable operating procedures.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs	Revenues: A long-term supply or demand disruption could have a meaningful positive or negative impact on our sales revenues. Our five-year outlook

<p>Capital expenditures Capital allocation Acquisitions and divestments</p>	<p>corporate modelling incorporates various benchmark oil pricing scenarios to understand these impacts. In 2020, we saw unprecedented low crude oil prices and demand drop. Our flexibility in these circumstances highlighted our ability to respond to a demand disruption in a short-term scenario. The nature of long-term supply or demand disruption is uncertain in nature.</p> <p>Operating Costs: We conduct financial analysis on the potential increase to operating costs in jurisdictions with carbon pricing schemes, including factors such as compliance costs for carbon pricing and the operations and maintenance of GHG mitigation infrastructure.</p> <p>Capital Expenditures and Capital Allocation: We factor opportunities to reduce energy consumption, reduce emissions and ensure regulatory compliance into our capital budget. We also evaluate the economics of gas conservation or mitigation projects, consider the costs and benefits of such initiatives and track project costs and subsequent performance. The availability of government grants to lower the capital expenditures of emissions reduction or new energy projects is also a consideration.</p> <p>Acquisitions and Divestments: When Baytex evaluates acquiring or divesting of assets, we consider the emissions intensity of the assets and the transaction's potential impact on the company's emissions profile. Our management team also considers the financial impacts that acquired properties may have in terms of future emissions intensity reduction initiatives and compliance costs.</p>
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C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Our Approach

As a **responsible** energy company, we take a **sustainable** approach to managing and developing our business into the future. We monitor our impacts on environment, set meaningful targets to decarbonize our operations and remain committed to transparent disclosures. Managing climate-related risks and opportunities strengthens our corporate **resilience** and ensures that we remain relevant. It is an increasingly important priority and area of focus for our business.

Our Commitment

Our first corporate GHG emissions intensity (tonnes CO₂e per boe) reduction target was 30% by 2021, from our 2018 baseline. We exceeded this target a year early in 2020, and **reduced our GHG intensity by 46%**. Absolute GHG emissions have also declined significantly over the past two years, dropping a cumulative **1.6 million tonnes of CO₂e** from 2018 to 2020. We set our reduction targets against emissions intensity as it is the most meaningful measure of the efficacy of our mitigation efforts. It is less affected by production levels and capital activity fluctuations than absolute emissions.

As part of our commitment to continuous improvement, we have expanded our target to **reduce our GHG intensity by 65%** total from our 2018 baseline.

Our GHG Reduction Initiatives

We continually pursue option to reduce our GHG emissions and seek pragmatic solutions to mitigate our emissions in each of our operating areas. A multi-faceted approach is used to addresses technical and operational challenges. This includes opportunities for:

- Gas conservation
- Consolidating production sites
- Shifting from venting to combustors and/or flaring
- Recovering vapour from storage tanks
- Reducing emissions from drilling
- Upgrading to low-bleed pneumatic devices
- A robust fugitive emissions management program

Capital Allocation

In 2020 we invested \$9 million into GHG reduction initiatives, or 5% of our total Segment Canada capital spending. The majority of the investment was in the Viking, which is our highest GHG emissions intensity operating area. The Viking Methane Mitigation Project lowered the Viking emissions intensity by 61% from 2019 to 2020.

Energy Transition

At Baytex, we believe that oil and gas will be instrumental in the energy transition. Some of the elements that make our company resilient are:

- **Geographical diversity:** We are exposed to different regulations in the various jurisdiction where we operate. In 2020, 39% of our production came from non-operated assets in the U.S. with no exposure to carbon pricing or methane regulations. Our Canadian production is split between the provinces of Alberta and Saskatchewan that also have different regulations. Geographic dispersion makes us more resilient to the physical risks of climate change since they affect regions differently.
- **Lower cost producer:** To increase our financial resiliency, we aim to increase our productivity and reduce our costs. Across our properties, we apply technical advancements that drive enhanced productivity such as extended reach horizontal wells in our Viking assets and multi-lateral development in Peace River. We have a

disciplined capital spending program, and in 2020 we also met our cost targets despite an extremely volatile pricing environment.

- **A track record of implementing GHG regulations:** There are administrative and reporting requirements associated with maintaining good standing in the regulations that apply to our business. We have invested in methane and GHG emission reduction across our properties to reduce this impact. Our Peace River assets are subject to some of the most stringent regulations in Canada and we consistently meet or exceed our obligations. We have applied learnings from Peace River in developing and implementing our plans for our Viking assets, showcasing our organizational adaptability and the resilience of our teams.
- **Active in industry groups and GHG regulatory discussions:** We actively participate in industry groups and engage with regulatory bodies in Alberta and Saskatchewan on the implementation of federally equivalent Output-Based Performance Standard programs. We monitor and review developments in provincial and federal carbon pricing policies and the implementation of carbon pricing schemes.

In the next two years, we plan to complete a scenario analysis to support our understanding of the implications of the energy transition on our business.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Based on total emissions.

Intensity metric

Metric tons CO₂e per barrel of oil equivalent (BOE)

Base year

2018

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.112

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

30

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.0784

% change anticipated in absolute Scope 1+2 emissions

45

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.0608

% of target achieved [auto-calculated]

152.380952381

Target status in reporting year

Achieved

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

Baytex's first corporate emission intensity reduction target was a 30% reduction by 2021, from a 2018 baseline. We exceeded this target a year early in 2020, and from our 2018 baseline we have reduced our GHG emissions intensity by 46%. The majority of emissions reduction activities were in the Viking operating area.

Emissions intensity, or production carbon intensity, is the measure of total gross operated GHG emissions (tonnes CO₂e) per total operated throughput (BOE).

Target reference number

Int 2

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Metric tons CO₂e per barrel of oil equivalent (BOE)

Base year

2018

Intensity figure in base year (metric tons CO₂e per unit of activity)

0.112

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

65

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

0.0392

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

0.0608

% of target achieved [auto-calculated]

70.3296703297

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

As part of our commitment to continuous improvement, we have set a new corporate target to reduce our GHG emissions intensity by 65% total from our 2018 baseline. Various emissions intensity reduction projects will be undertaken to achieve our reduction target. We will focus on our highest emissions intensity facilities and utilize a multi-faceted approach to reducing emissions that addresses technical and operational challenges.

Emissions intensity, or production carbon intensity, is the measure of total gross operated GHG emissions (tonnes CO₂e) per total operated throughput (BOE).

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C-OG4.2d

(C-OG4.2d) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

Baytex's corporate emission intensity reduction target is based on tonnes of CO₂e per throughput boe and will result in a significant corresponding reduction in methane emissions. The Viking methane mitigation project is specifically targeted at reducing methane emissions. Baytex tracks its emissions reduction progress holistically in terms of CO₂ equivalence. Methane is an important contributor to the company's GHG emissions profile which is monitored and tracked. However, the company does not currently set targets in terms of methane specific reduction.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO₂e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	10,000
To be implemented*	2	15,000
Implementation commenced*		
Implemented*	2	1,275,000
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Company policy or behavioral change
 Other, please specify
 Methane Mitigation Initiative

Estimated annual CO2e savings (metric tonnes CO2e)

1,200,000

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

15,000,000

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

We identified the reduction of GHG emissions as a corporate priority and focused our efforts on our highest emissions intensity operating area, the Viking, where there are limited third party gas takeaway options.

During 2019 and 2020 we invested a total of \$15 million in our Viking Methane Mitigation initiative, including \$10 million on combustors and flares, and \$5 million on gas conservation opportunities. As a result of the program, the emissions intensity of the Viking assets was lowered 61% from 0.254 tonnes CO₂e/boe in 2018 to 0.085 tonnes CO₂e/boe in 2020. In total, 152 combustors and 55 flare stacks were installed.

In 2020, \$9 million was spent with including \$7 million on the purchase and installation of 130 combustors and 12 flare stacks and \$2 million on gas conservation efforts. Baytex was under the methane compliance limits in Saskatchewan in 2020 because of the success of this project.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Effective economic rate of return and compliance with regulatory requirements in Alberta and Saskatchewan.
Employee engagement	Our sustainability, engineering and operations teams are committed to and engaged in seeking out opportunities to economically reduce greenhouse gas emissions.
Internal incentives/recognition programs	We have included in our incentive program GHG emissions performance metrics which is tied to the annual bonus pool for all employees.

C4.5

(C4.5) 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?

No

C-OG4.6

(C-OG4.6) Describe your organization’s efforts to reduce methane emissions from your activities.

- The **Viking methane mitigation project** specifically targeted a reduction in methane from wellsite venting by utilizing gas conservation, high-efficiency gas combustors or flaring. In 2019 and 2020, Baytex began to focus on methane emissions reduction efforts in the Viking. Oil and gas operations in this area, among all producers, have traditionally involved higher volumes of normally vented methane, as such, this area represented the largest opportunity for Baytex to reduce emissions. Efforts to date have been focussed on increasing gas conservation in areas with available third party take away infrastructure as well as methane destruction efforts in areas lacking infrastructure.
- In the summer of 2019 Baytex implemented a company-wide **fugitive emissions management program** (FEMP) for all operational areas. Regular fugitive emissions

surveys (with a FLIR camera) and/or AVO inspections are now conducted at all producing sites. All identified leaks are tracked for emissions reporting purposes and repaired within a specified timeline.

- Since August of 2018 Baytex has operated the **Peace River Instrument Gas to Instrument Air Conversion Project**, which was registered under the Alberta Emission Offset System (Project Identifier 4070-4748). This pilot project involved the conversion of gas driven wellsite pneumatic systems to compressed air driven systems in the companies Reno production field.
- In July of 2018 Baytex commenced operations of the **Harmon Valley Gas Plant** which was specifically designed to conserve associated gas from heavy oil production in the Peace River field. Historically this gas would have been vented or flared.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

In the summer of 2019, Baytex implemented a company-wide **fugitive emissions management program** (FEMP) for all operational areas. Regular fugitive emissions surveys (with a FLIR camera) and/or AVO inspections are now conducted at all producing sites. All identified leaks are tracked for emissions reporting purposes and repaired within a specified timeline.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

- Baytex has identified the Saskatchewan **Viking** operations as a key area to increase gas conservation and reduce emissions through venting and flaring. This area has been particularly challenging with respect to gas conservation given limited natural gas take away options and infrastructure. Despite these challenges, Baytex will increase the number of conserving gas wells through current and future emissions reduction programs.
- **Combustors** have been installed instead of traditional flare stacks at 152 sites in 2019 and 2020. They have been found to burn gas more efficiently than an open flare, take up a smaller footprint, cost less to install and have greater landowner support because they have no visible flames.
- In our **Peace River** production area, Baytex has continued to expand its gas conservation efforts leading to significantly reduced flaring. The goal of these ongoing infrastructure programs is to reduce routine flaring in the region to less than 5% of all associated gas produced.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO₂e)

2,739,887

Comment

Baytex and Raging River merged on August 22, 2018, and this resulted in an increase in overall absolute emissions for 2018 as compared to 2017. The baseline year of 2018, which includes full year direct emissions from both entities is 2,739,887 tonnes CO₂e.

Scope 2 (location-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO₂e)

102,703

Comment

Baytex and Raging River merged on August 22, 2018, and this resulted in an increase in overall absolute emissions for 2018 as compared to 2017. The baseline year of 2018, had in-direct full year emissions from both entities of 102,703 tonnes CO₂e.

Scope 2 (market-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO₂e)

0

Comment

Baytex does not report Market based, all Scope 2 is location based.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Act on the Rational Use of Energy

Canadian Association of Petroleum Producers, Calculating Greenhouse Gas Emissions, 2003

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

1,188,227

Start date

January 1, 2020

End date

December 31, 2020

Comment

2020 direct emissions.

Past year 1

Gross global Scope 1 emissions (metric tons CO₂e)

2,230,163

Start date

January 1, 2019

End date

December 31, 2019

Comment

2019 direct emissions.

Past year 2

Gross global Scope 1 emissions (metric tons CO₂e)

2,739,887

Start date

January 1, 2018

End date

December 31, 2018

Comment

The 2018 direct emissions have been restated to reflect the combined full calendar year emissions from both Baytex and Raging River after the strategic combination completed on August 22, 2018. This established our baseline year to measure reduction strategies and initiatives against.

These numbers were previously reported for comparative and target setting purposes in the 2019 CDP, 2018 Sustainability Report and the 2019 Sustainability Metrics table update.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

89,642

Start date

January 1, 2020

End date

December 31, 2020

Comment

2020 indirect emissions.

Past year 1

Scope 2, location-based

112,475

Start date

January 1, 2019

End date

December 31, 2019

Comment

2019 indirect emissions.

Past year 2

Scope 2, location-based

102,703

Start date

January 1, 2018

End date

December 31, 2018

Comment

The 2018 indirect emissions have been restated to reflect the combined full calendar year emissions from both Baytex and Raging River after the strategic combination completed on August 22, 2018. This established our baseline year to measure reduction strategies and initiatives against.

These numbers were previously reported for comparative and target setting purposes in the 2019 CDP, 2018 Sustainability Report and the 2019 Sustainability Metrics table update.

C6.4

(C6.4) 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?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not evaluated

Please explain

Capital goods

Evaluation status

Not evaluated

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not evaluated

Please explain

Upstream transportation and distribution

Evaluation status

Not evaluated

Please explain

Waste generated in operations

Evaluation status

Not evaluated

Please explain

Business travel

Evaluation status

Not evaluated

Please explain

Employee commuting

Evaluation status

Not evaluated

Please explain

Upstream leased assets

Evaluation status

Not evaluated

Please explain

Downstream transportation and distribution

Evaluation status

Not evaluated

Please explain

Processing of sold products

Evaluation status

Not evaluated

Please explain

Use of sold products

Evaluation status

Not evaluated

Please explain

End of life treatment of sold products

Evaluation status

Not evaluated

Please explain

Downstream leased assets

Evaluation status

Not evaluated

Please explain

Franchises

Evaluation status

Not evaluated

Please explain

Investments

Evaluation status

Not evaluated

Please explain

Other (upstream)

Evaluation status

Not evaluated

Please explain

Other (downstream)

Evaluation status

Not evaluated

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00264

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

1,277,869

Metric denominator

unit total revenue

Metric denominator: Unit total

483,360,940

Scope 2 figure used

Location-based

% change from previous year

2

Direction of change

Increased

Reason for change

In 2020, operated sales decreased 47% relative to 2019. Absolute emissions decreased 45% or 1,064,0769 tonne CO₂e. These changes were a result of the oil pricing downturn in 2020 and lower emissions from emissions reduction initiatives. This resulted in an overall 2% increase in revenue intensity.

Intensity figure

0.061

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

1,277,869

Metric denominator

barrel of oil equivalent (BOE)

Metric denominator: Unit total

21,026,160

Scope 2 figure used

Location-based

% change from previous year

36

Direction of change

Decreased

Reason for change

In 2020, emissions intensity decreased 36% compared to 2019 with a 45% decrease in total emissions and a 15% decrease in throughput volumes.

Compared to the 2018 baseline of 0.112 tonnes CO₂e/boe emission intensity has decreased 46% by 2020.

Intensity figure

2,992.67

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

1,277,869

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

427

Scope 2 figure used

Location-based

% change from previous year

44

Direction of change

Decreased

Reason for change

In 2020, full time equivalent (FTE) employee emission intensity has decreased 44% compared to 2019 with FTE headcount, of 438, decreasing 3%, and total emissions decreasing 45%.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO₂e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)

Thousand barrels of crude oil/ condensate

Metric tons CO₂e from hydrocarbon category per unit specified

60.77

% change from previous year

36

Direction of change

Decreased

Reason for change

In 2020, emissions intensity decreased 36% compared to 2019 with a 45% decrease in total emissions and a 15% decrease in boe.

Comment

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division

Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

Comment

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	623,800	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	559,794	IPCC Fourth Assessment Report (AR4 - 100 year)

N2O	4,633	IPCC Fourth Assessment Report (AR4 - 100 year)
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C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

453,734

Gross Scope 1 methane emissions (metric tons CH4)

124

Total gross Scope 1 emissions (metric tons CO2e)

461,378

Comment

Emissions category

Flaring

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

139,882

Gross Scope 1 methane emissions (metric tons CH4)

693

Total gross Scope 1 emissions (metric tons CO2e)

157,274

Comment

Emissions category

Venting

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

30,147

Gross Scope 1 methane emissions (metric tons CH4)

20,954

Total gross Scope 1 emissions (metric tons CO2e)

553,998

Comment

Emissions category

Fugitives

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

14

Gross Scope 1 methane emissions (metric tons CH4)

623

Total gross Scope 1 emissions (metric tons CO2e)

15,577

Comment

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	1,188,227

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Conventional District	43,771
Duvernay District	10,424
Lloydminster District	297,874
Peace River District	288,269
Viking District	547,889

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Oil and gas production activities (upstream)	1,188,227	All activities classified as upstream operations.
Oil and gas production activities (midstream)		No midstream production activities.
Oil and gas production activities (downstream)		No downstream production activities.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Canada	89,642		127,968	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Conventional District	6,917	
Duvernay District	877	
Lloydminster District	33,939	
Peace River District	19,702	
Viking District	28,207	

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Oil and gas production activities (upstream)	89,642		All activities classified as upstream operations.
Oil and gas production activities (midstream)			No midstream production activities.

Oil and gas production activities (downstream)			No downstream production activities.
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C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) 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.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change		
Other emissions reduction activities	920,000	Decreased	39	Related to the Viking methane mitigation project. Includes an increase in flaring versus venting previously, and additional gas conservation.
Divestment				
Acquisitions				
Mergers				
Change in output	150,000	Decreased	7	Decrease in absolute emissions related to lower production level in 2020, particularly in our Heavy Oil operations.
Change in methodology	10,000	Increased	0	Related to a new Alberta reporting requirement that reclassifies some facility volumes (previously classified as shrinkage) as flaring volumes.
Change in boundary				

Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)		2,359,029	
Consumption of purchased or acquired electricity			127,968	
Consumption of self-generated non-fuel renewable energy				
Total energy consumption			2,486,997	

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

55,088

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

Emission factor

2.8

Unit

kg CO2 per liter

Emissions factor source

CAC: US EPA WebFIRE, GHG: US EPA AP-42, CAPP and API

Comment

Diesel combusted total 14,373 tonnes CO2e.

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

111,293

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

Emission factor

1.55

Unit

kg CO2e per liter

Emissions factor source

CAC: US EPA WebFIRE, GHG: US EPA AP-42, CAPP and API

Comment

Propane combusted total 24,424 tonnes CO2e.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

2,192,648

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

358,645.86

Emission factor

2

Unit

kg CO2e per liter

Emissions factor source

CAC: US EPA WebFIRE, GHG: US EPA AP-42, CAPP and API

Comment

Natural gas combusted total 422,581 tonnes CO2e.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity				
Heat				
Steam	358,645.86	358,645.86		
Cooling				

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify

Metric value

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

Direction of change

Please explain

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	12.6	Includes light, medium and heavy crude oil net of royalty. US volumes are not included as they are not within operational control.
Natural gas liquids, million barrels	0.4	Net of royalty. US volumes are not included as they are not within operational control.
Oil sands, million barrels (includes bitumen and synthetic crude)	0.8	Net of royalty. US volumes are not included as they are not within operational control.
Natural gas, billion cubic feet	14.3	Net of royalty. US volumes are not included as they are not within operational control.

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

The Baytex reserves report have been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluations Handbook (COGEH) and reserves definitions contained in NI 51-101.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment
Row 1	224.02	224.02	224.02	Our disclosure includes our net proved plus probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil/ condensate/ natural gas liquids	66	66	66	Our disclosure includes our net proved plus

				probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.
Natural gas	13	13	13	Our disclosure includes our net proved plus probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.
Oil sands (includes bitumen and synthetic crude)	20	20	20	Our disclosure includes our net proved plus probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type

Oil sand/extra heavy oil

In-year net production (%)

5

Net proved reserves (1P) (%)

5

Net proved + probable reserves (2P) (%)

20

Net proved + probable + possible reserves (3P) (%)

20

Net total resource base (%)

Comment

Our disclosure includes our net proved plus probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.

Development type

Other, please specify

Heavy Oil

In-year net production (%)

38

Net proved reserves (1P) (%)

30

Net proved + probable reserves (2P) (%)

27

Net proved + probable + possible reserves (3P) (%)

27

Net total resource base (%)

Comment

Our disclosure includes our net proved plus probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.

Development type

Other, please specify

Conventional (L/M Oil, Condensate, NGL, Natural Gas)

In-year net production (%)

55

Net proved reserves (1P) (%)

60

Net proved + probable reserves (2P) (%)

48

Net proved + probable + possible reserves (3P) (%)

48

Net total resource base (%)

Comment

Our disclosure includes our net proved plus probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.

Development type

Tight/shale

In-year net production (%)

2

Net proved reserves (1P) (%)

5

Net proved + probable reserves (2P) (%)

5

Net proved + probable + possible reserves (3P) (%)

5

Net total resource base (%)

Comment

Our disclosure includes our net proved plus probable reserves. We do not provide disclosure of possible or contingent resources. US reserves are not included as they are not within operational control.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

40

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No emissions data provided

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Alberta Carbon Competitive Incentive Regulation (CCIR) – ETS

Canada federal fuel charge

Canada federal Output Based Pricing System (OBPS) - ETS

Saskatchewan OBPS - ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Alberta Carbon Competitive Incentive Regulation (CCIR) – ETS

% of Scope 1 emissions covered by the ETS

23

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

275,018

Allowances purchased

30,679

Verified Scope 1 emissions in metric tons CO₂e

305,696

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

On January 1, 2020, Technology Innovation and Emission Reduction Regulation (TIER Regulations) came into force in Alberta and replaced the Carbon Competitiveness Incentive Regulation (CCIR). Baytex has registered its Alberta operated facilities into the TIER Regulations in an aggregate for conventional oil and gas facilities. The baseline year of the aggregate is 2020, with a 10% reduction requirement on stationary combustion for the 2020 compliance year. Regulated emissions have been third party verified in the performance standard and represent ~70% of scope 1 emissions in Alberta, or ~23% of total Baytex scope 1 emissions.

Canada federal OBPS - ETS

% of Scope 1 emissions covered by the ETS

100

% of Scope 2 emissions covered by the ETS

100

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO₂e

0

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

In Canada, all Canadian operated covered facilities are registered where applicable federally with ECCC. They then fall under performance standards in the Province of Saskatchewan (OBPS) and in the Province of Alberta (TIER). Performance standard allowances applied for the calendar year 2020.

Saskatchewan OBPS - ETS

% of Scope 1 emissions covered by the ETS

15

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

199,798

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO₂e

183,578

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

Baytex has registered its Saskatchewan operated facilities into the OBPS Regulations. The majority of facilities are registered as an aggregate, with the remaining facilities registered as a separate regulated facility. The baseline year of the performance standard is 2018, with a 3.75% reduction requirement on stationary combustion for the 2020 compliance year. Regulated emissions have been third party verified in the performance standard and represent ~23% of scope 1 emissions in Saskatchewan, or ~15% of total Baytex scope 1 emissions.

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Canada federal fuel charge

Period start date

January 1, 2020

Period end date

December 31, 2020

% of total Scope 1 emissions covered by tax

0

Total cost of tax paid

20,076.42

Comment

Canada federal fuel tax applies to a waste management facility in the Province of Alberta. This facility cannot be registered in the TIER performance standard and stationary combustion is directly subject to the federal fuel tax.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

In the jurisdictions Baytex operates, management monitors and reviews developments to provincial and federal carbon tax policies and the implementation of carbon pricing schemes.

In 2018, the federal Greenhouse Gas Pollution Pricing Act came into effect in Canada. The Act implements a federal benchmark carbon pollution pricing system applied to fuel and combustible waste. The federal tax rate was \$10/tonne CO₂e in 2018 and increases \$10/tonne annually to \$50/tonne in 2022. This federal backstop pricing impacts provincial jurisdictions that do not have an equivalent pricing system in place. On April 1, 2019 in the Province of Saskatchewan and on January 1, 2020 in the Province of Alberta federal backstop programs took effect.

Both provinces have subsequently obtained federal equivalency for Output Based Performance Standard programs which limit the direct financial exposure to the federal fuel tax. In Saskatchewan, the Output Based Performance System achieved federal equivalency in the fall of 2019. Baytex has registered its operated facilities as an aggregate in the OBPS program. The province of Alberta has also achieved federal equivalency for its Technology Innovation and Emission Reduction Regulations and Baytex has registered its producing oil and gas sites as an aggregate facility. However, these programs have compliance costs associated when performance standards relative to an emissions benchmark cannot be fully met. Registering our facilities in performance standards has limited the financial exposure to \$1 million in 2020.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Other, please specify

We actively support innovation in our service providers and give preference to companies that are demonstrating continual improvements in their environmental performance, including emissions reductions.

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

To aid in achieving our GHG reduction target and support ongoing activities associated with methane mitigation and emission reduction projects.

Impact of engagement, including measures of success

Higher efficiency combustor technology has been deployed in the Viking area of operations. Dual-fuel drilling rigs were utilized in 2019 and 2020, running on diesel and lower-emission compressed natural gas.

Comment

Currently, Baytex continues to focus on emission reporting improvements and a data-driven approach to emissions reduction strategies. By reporting accurate data to provincial and federal regulators, Baytex is ensuring that climate-related studies performed at various levels of government and industry have best available data related to Baytex's operations. Supplier engagement will become increasingly important as low-carbon products and renewables are investigated.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Cap and trade	Support with minor exceptions	Periodic communications with the Alberta Climate Change Office.	Implementation and interpretation of the Quantification Protocol for Greenhouse Gas Emission Reductions.
Regulation of methane emissions	Support with minor exceptions	Direct feedback on the implementation of new Methane reduction regulations with the Alberta Energy Regulator.	AER Directive 060 - Upstream Petroleum Industry Flaring, Incinerating and Venting. Specifically, sections added to regulate the provinces Methane Reduction Program.
Regulation of methane emissions	Support with minor exceptions	Direct and sustained communications and feedback with the Alberta Energy Regulator.	Implementation and interpretation of Directive 084 - Requirements for Hydrocarbon Emissions Controls and Gas Conservation in the Peace River Area.
Regulation of methane emissions	Support with minor exceptions	Continued feedback on the new Methane reduction regulations with the Saskatchewan Ministry of Energy and Resources Climate Change Branch.	Implementation and refinement of the Saskatchewan Oil & Gas Emissions Management Regulations (OGEMR).
Regulation of methane emissions	Support with minor exceptions	Periodic engagement with the Alberta Government Department of Energy and the Assistant Deputy Minister of Resource Development Policy.	The Alberta Climate Leadership Act and AER Directive 060 - Upstream Petroleum Industry Flaring, Incinerating and Venting. Specifically, sections added to regulate the provinces Methane Reduction Program.
Carbon tax	Support with minor exceptions	Direct feedback with the Saskatchewan Ministry of Energy and Resources.	Development and implementation of Saskatchewan's Output Based Performance Standard with the

			Ministry of Energy and Resources. Specifically, with respect to the facility aggregation regulations.
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Explorers and Producers of Canada (EPAC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

EPAC advocates on behalf of its Canadian conventional energy producer member companies for government policy that promotes a thriving energy sector. This includes climate-change regulations and policies in the jurisdictions where Baytex operates.

How have you influenced, or are you attempting to influence their position?

Baytex supports EPAC's mission to advocate to governments, policy makers and regulators to ensure that fiscal and regulatory frameworks encourage investment and responsible development of the Canadian oil and gas industry. Baytex's CEO is a member of the EPAC board which meets regularly to consider issues affecting the Association and provide strategic direction.

C12.3f

(C12.3f) 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?

Before engaging with trade associations, government or regulators on topics of climate change policy or regulations, Baytex staff and executives will always meet to align on the purpose and objectives of the engagement.

C12.4

(C12.4) 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

In voluntary sustainability report

Status

Attach the document

 2020 Baytex ESG Report_final.pdf

Page/Section reference

page 10-12, 40 - 47

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Nothing additional.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

Job title	Corresponding job category
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Row 1	Chief Operating & Sustainability Officer	Chief Operating Officer (COO)
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