

Welcome to your CDP Climate Change Questionnaire 2022

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.

Baytex has been reporting climate-related information since 2018, when the Task Force on Climate-related Financial Disclosures (TCFD) first published its reporting framework. For the last five years, we have been taking a pragmatic and phased approach to identifying and managing climate-related risks. In 2022, securities regulators in Canada and the U.S. published draft rules based in part on the TCFD framework. Continuing to improve our own TCFD climate disclosures will keep us ahead of mandatory requirements and provide meaningful disclosure to our stakeholders. In summer 2022, we will release our inaugural TCFD Report and our sixth sustainability/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, 2021	December 31, 2021	Yes	3 years

C0.3

(C0.3) Select the countries/areas in which you operate.

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

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, a Ticker symbol	BTE
Yes, a CUSIP number	0001279495

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 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	Reviewing and guiding strategy	The Reserves and Sustainability Committee has specific responsibility for overseeing health, safety,

	<p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</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>environment, climate and other sustainability matters. Its responsibilities include sustainability strategy, benchmarking, setting performance targets, and reviewing progress and achievements against those targets. Specifically, in relation to climate change and the reduction of our company's GHG emissions, the committee provides oversight of targets and objectives, reviews performance, and discusses future opportunities. This committee meets twice a year and reports to the Board after each committee meeting.</p> <p>These matters form part of our annual budget and performance objectives, which are monitored and reported on regularly. We have incorporated 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 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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C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Oversight and responsibility of climate-related matters has been delegated to the Reserves and Sustainability committee, with

		management support and roles and responsibilities clearly defined within Baytex. The committee consists of three Board members with substantive knowledge and business acumen, as well as diverse backgrounds related to these matters. The subject area continues to evolve and members strive to further educate themselves on climate-related matters. Key areas of focus for Board members include risk and opportunity assessments and the strategic integration of emissions into the business.
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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
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Other C-Suite Officer, please specify Vice Presidents Operations	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	Half-yearly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	Half-yearly
Safety, Health, Environment and Quality committee	Other, please specify Issues related to health, safety and the environment	Quarterly

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 management reports to the Reserves and Sustainability Committee and the full Board on environmental and social risks and opportunities. Executives are also responsible for approving budgets for the implementation of emission reduction plans and reviewing and approving the company's disclosures of the major risks faced by Baytex, which include climate-related risks. In 2021, we appointed a Chief Operating and Sustainability Officer to lead our sustainability efforts and to reinforce Baytex's commitment to responsible energy development. As part of this role, he spends time integrating our sustainability priorities into our capital allocation and strategic planning processes.

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 composed of the Chief Executive Officer, Chief Operating and Sustainability Officer, Vice President, 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, and environment.

Baytex's Environmental Sustainability Team (EST) is a cross-functional team of employees and managers that are responsible for reporting climate-related issues and initiatives to the Chief Operating and Sustainability Officer and Operations Vice Presidents. The EST is led by the Sustainability and Energy Transformation Manager and is responsible for monitoring, implementing, and managing systems required to support climate-related initiatives. In relation to climate change and the reduction of the company's GHG emissions, this committee is responsible for the assessment and setting of our targets and overseeing the preparation of our public disclosures in this area.

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	ESG matters form part of our annual budget and performance objectives, which are monitored and reported on regularly. Since 2020, our GHG emissions intensity reduction target has been part of our short-term incentive plan scorecard. The short-term incentive plan scorecard is assessed annually and impacts annual compensation for our executive team and all employees.

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	Emissions reduction target	<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 annually through our ESG Report and TCFD Report.</p> <p>Since 2020, our GHG emissions intensity reduction target has been part of our short-term incentive plan scorecard. The short-term incentive plan scorecard is assessed annually and impacts annual compensation for our executive team and all employees.</p>
All employees	Monetary reward	Emissions reduction target	<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>Since 2020, our GHG emissions intensity reduction target has been part of our short-term incentive plan scorecard. The short-term incentive plan scorecard is assessed annually and impacts annual compensation for our executive team and 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
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Short-term	1	3	Aligns with regular business practices.
Medium-term	3	10	Aligns with regular business practices.
Long-term	10	30	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

For many years, Baytex has had quarterly and annual long-range planning reviews and reporting processes in place to ensure risks, including environmental and social ones, were appropriately identified and managed. To enhance our processes, in 2021 we engaged a third-party consultant to assist us with an additional enterprise risk identification and assessment exercise.

The enterprise risk identification process included:

- Interviews with risk owners across the company, including two Board members;
- Identification of a complete list of enterprise risks that can impact Baytex from achieving its strategic objectives, including climate-related physical and transition risks;
- The assessment of each risk based on expected impact and likelihood;

- Identification and alignment of top risks based; and
- Assignment of the top risks to key executives as risk owners, who then identified key risk indicators that will be monitored.

After this comprehensive assessment, our risk update process includes:

- Quarterly: We plan to update the Audit Committee on the status of the top risks identified and any significant developments related to the other risks.
- Annually: We plan to review all risks with the Board at our annual strategy meeting to ensure alignment between our corporate strategy and risk assessment.

In addition to the enterprise risk assessment process, when climate-related risks directly impact a business unit, a specific risk assessment and mitigation planning process is undertaken. For example, emerging GHG emission regulations and changes to existing regulations are assessed by the Environmental Sustainability Team to understand the current and future impacts on the business. Findings and recommendations are communicated to the executive management team and, where significant, to 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 relevant, explanation provided	Certain municipal entities and advocacy organizations have sued oil companies in the United States and threatened to sue oil companies in Canada for damage caused by climate change. At this time, we cannot anticipate if we will be included in any such litigation, whether the legal theories advanced in such lawsuits will be accepted by the courts or the potential impact of any such lawsuits.

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	<p>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 into business strategy.</p> <p>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).</p> <p>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.</p>
Acute physical	Relevant, always included	<p>Our operated oil and gas operations are located in western Canada. Our field operations could be impacted by severe weather events including flooding, wildfires, lightning 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.</p> <p>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.</p>
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

Wildfire

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

In the past the company has temporarily shut-in facilities related to wildfires.

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 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?

Downstream

Risk type & Primary climate-related risk driver

Acute physical
Cyclone, hurricane, typhoon

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

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

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

Carbon pricing in Canada increased from \$40 per tonne of CO₂e (tCO₂e) in 2021 to \$50 per tCO₂e in 2022, and will continue to increase \$15 per tCO₂e annually to \$170 per tCO₂e in 2030. There are direct costs of compliance fees in performance standards, as well as inflationary influences on the cost of services and products as carbon pricing increases. Registering our facilities in provincial performance standards limits the financial exposure of compliance fees.

In the Province of Saskatchewan, the Output-Based Performance Standard regulation

applies to facilities emitting more than 25,000 tCO₂e. We elected to register our Kerrobert SAGD facility, even though it is under this threshold. For the remainder of our operated facilities in Saskatchewan, we have opted into this provincial regulation by aggregating them. As a result our operated facilities are not directly subject to the federal carbon pollution pricing system. This provincial program requires an annual 1.25 per cent reduction in stationary combustion emission intensity escalating to a total 15 per cent reduction by 2030 when compared to a 2019 baseline. To the extent a company does not meet the required reduction, annual compliance fees apply to the excess regulated emissions. At a minimum, the province matches the federal carbon pricing schedule and applies this price to the excess emissions.

In the Province of Alberta, the Technology Innovation and Emission Reduction regulation applies to facilities that emit more than 100,000 tCO₂e. None of our facilities meet these criteria; however, we chose to opt into this provincial regulation by aggregating our operated facilities. The Alberta regulation requires an immediate 10 per cent reduction in emissions intensity from a 2020 benchmark. To the extent a company does not meet the required reduction (which can be met through abatement, offsets or payment into a compliance fund), annual compliance fees apply to the excess regulated emissions. At a minimum, the province matches the federal carbon pricing schedule and applies this price to the excess emissions. If emissions are under the annual regulated limits, there is the ability to generate credits to sell or carry forward and apply against compliance fees in future years.

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)

1,200,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Performance standard compliance fees for 2021 were estimated at \$1.2 million at \$40/tonne. Compliance fees in future years can be lowered through mitigation projects which lower covered emission source intensities.

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

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)

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.

Cost of response to risk

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 emerging regulations.

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 monitoring.

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 - 2021 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

Changing precipitation patterns and types (rain, hail, snow/ice)

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

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

Description of response and explanation of cost calculation

In 2021, we formed a new working group focused on GHG mitigation technologies. The group monitors the advancements of GHG mitigation technologies and assesses their feasibility for our operations.

Comment

Identifier

Risk 8

Where in the value chain does the risk driver occur?

Downstream

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 oil in North America.

Cost of response to risk

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

Identifier

Risk 9

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical
Water scarcity

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

To develop some of our resources using hydraulic fracturing, SAGD or waterflooding, we need to have access to sufficient volumes of water, or other liquids.

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

In the long-term, limited access to water could reduce the amount of oil and natural gas that we are able to produce from these assets and decrease revenues.

Cost of response to risk

Description of response and explanation of cost calculation

We have pilot projects to reduce freshwater usage in these areas including using non-fresh water sources or recycling water. In 2021 our pilot projects resulted in a 15% in our fresh water use intensity compared to our 2020 baseline. We have committed to developing and internal water management framework that prioritizing minimizing freshwater use throughout our operations.

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. From 2018 to 2021 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 69% decrease in the emissions intensity from 2018 to 2021, and an approximately 15% increase in gas conservation for the Viking operating area.

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

In addition to the reduction in our emissions intensity, mitigation activities have resulted in high gas conservation rates in the Viking. Additional gas sales revenue is realized when gas is conserved and delivered to market.

Cost to realize opportunity

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, multi-well pad site development and the evaluation of new or expanded gas conservation projects.

Comment

The Viking GHG reduction initiative will impact current operations and future development plans. To date \$20 million has been spent on this initiative.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Other, please specify

Primary potential financial impact

Increased access to capital

Company-specific description

As an oil and gas producer, we believe that our resiliency will allow us to compete in a low-carbon economy and could improve our ability to access capital in future years. In this context, resiliency refers to our ability to respond and withstand regulatory and market challenges brought on by the energy transition.

Time horizon

Medium-term

Likelihood

Very likely

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

Our resiliency improves our ability to manage operating costs and deploy capital effectively.

-Operating costs: managing escalating carbon pricing and regulatory expenses.

-Abatement costs: effective capital investments in GHG mitigation projects and technologies.

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

The following four characteristics contribute to the resiliency of our business in the near and medium-term:

- 1) Financial resiliency: We have a self-funded development program, which means that we can execute our drilling plans and develop our assets in our five-year outlook, without external sources of capital. We continue to focus on cost management and have a competitive break-even oil price (US\$45 WTI).
- 2) Diversification: We are exposed to different regulations in the various jurisdictions where we operate and own assets. In 2021, 38 per cent of our production came from non-operated assets in the U.S. Our Canadian operated production is split between the provinces of Alberta and Saskatchewan.
- 3) Track record of implementing GHG reductions: We have investing in methane and GHG emission reductions across our properties across our properties.
- 4) Carbon decision tools: We have GHG emissions data and related tools to make informed and effective capital and operating cost decisions.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, our strategy has been influenced by climate-related risks and opportunities, but we do not plan to develop a transition plan within two years

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

For the last five years, we have been taking a pragmatic and phased approach to identifying and managing climate-related risks.

In 2021, we made advancements in the following areas:

- Conducted an enterprise risk assessment with a focus on climate risks
- Evaluated the qualitative impact of transition-related risks, and associated timeframes
- Conducted qualitative transition scenario analysis using the IEA's Net Zero by 2050 and Announced Pledges scenarios
- Completed third-party assurance our 2021 emissions

C3.2

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

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA APS	Company-wide		Announced Pledges Scenario Key assumptions: -Results in warming of approximately 2.1 degrees celsius in 2100. -Global oil demand is 96.1 million barrels per day (mbd) in 2030 and 76.7 mbd in 2050. -Global heavy oil land bitumen production rises from 3.3 mbd in 2020 to 3.8 mbd in 2030, before falling to 2.3 mbd in 2050. -The WTI price is USD \$67/barrel in 2030 and USE \$64/barrel in 2050.
Transition scenarios IEA NZE 2050	Company-wide		Net Zero Emissions by 2050 Scenario Key assumptions: -Energy sector and consumption actions required to limit warming to 1.5 degrees celsius. -Global oil demand falls to 72 mbd in 2030 and to 24 mbd in 2050.

			-The WTI price is USD \$35/barrel in 2030 and USD \$25/barrel in 2050.
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C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

We used two transition-risk scenarios developed by the International Energy Agency (IEA), in alignment with the TCFD recommendations, which have become widely referenced for future global energy demand and allow for comparability with other companies. Scenarios were used to discuss our resiliency and further integrate climate-related risks and opportunities into our decision-making. However, it is important to note that scenarios are hypothetical constructs that use assumptions and estimates to highlight central elements of a possible future, and are not a forecast, prediction, or sensitivity analysis.

The focal questions we addressed were:

- 1) What are our sources of resiliency to 2030?
- 2) Are there areas we can further integrate climate-related risks and opportunities into our decision-making?
- 3) What is our long-term thinking, beyond 2030?

Results of the climate-related scenario analysis with respect to the focal questions

Sources of Resiliency to 2030

Resiliency refers to our ability to respond and withstand regulatory and market challenges brought on by the energy transition. Our preliminary scenario analysis indicates that we can remain competitive and resilient under the APS in the near and medium-term. However, new technologies or business lines would be needed to remain resilient under NZE 2050. The following characteristics contribute to the resiliency, in an environment that is comparable to the APS.

- 1) Financial resiliency: We have a self-funded development program, which means that we can execute our develop plans for our five-year outlook, without external sources of capital. The oil price used for our base case five-year outlook (US\$65 WTI) aligns with oil prices in the APS (US\$67 WTI in 2030). Without acquiring new assets, our current reserves will last until 2036. We continue to focus on cost management and have a competitive break-even oil price (US\$45 WTI).
- 2) Diversification: We are exposed to different regulations in the various jurisdictions where we operate. In 2021, 38 per cent of our production came from non-operated assets in the U.S. with no exposure to current carbon pricing or methane regulations. Our Canadian production is split between the provinces of Alberta and Saskatchewan

that also have different regulations with different instruments for compliance.

3) Track Record: We have invested in methane and GHG emission reductions across our properties, showcasing the adaptability and resiliency of our teams.

4) Carbon decision tools: We currently have GHG emissions data and related tools to make informed and effective capital and operating cost decisions. However, we see an additional opportunity to further embed carbon into decision making processes as the operational level.

Our Long-Term Thinking, Beyond 2030

Scenario analysis is an iterative process. We expect to assess the transition-related impacts of scenarios and the resiliency of our business regularly, especially as governments announce and implement additional carbon related policies. We have been able to operate in a lower carbon policy environment over the past few years, and have a track record of adapting to fast changing regulations during years of low oil prices. As we consider potential impacts beyond 2030, we believe we can apply some of our past experiences and learnings to enhance the resiliency of our business longer-term.

1) Optimize our business: To remain competitive, we could need to lower the cost structure of our business or complete a portfolio shift.

2) Further reduce our GHG intensity: We would need to reduce our GHG intensity below our current reduction target.

3) Refine our capital allocation and development approach: We could change the timing of development and/or invest in gas infrastructure or other emissions reduction technologies which are economically viable in a higher carbon cost environment.

4) Explore other technologies and partnerships.

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-</p>

		bleed pneumatic devices, are no longer being purchased by Baytex.
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> <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.</p>
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.</p> <p>For our Clearwater development area, we employ a facility design and layout that reduces the sources of emissions and follow a "no routine venting" approach. 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, dispositions 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	<p>Revenues</p> <p>Direct costs</p> <p>Indirect costs</p> <p>Capital expenditures</p> <p>Capital allocation</p> <p>Acquisitions and divestments</p>	<p>Revenues:</p> <p>A long-term supply or demand disruption could have a meaningful positive or negative impact on our sales revenues. Our five-year outlook corporate modelling incorporates various benchmark oil pricing scenarios to understand these impacts. In April 2021, we shared our five-year outlook (2021 to 2025) with investors to communicate our financial and operational resiliency. The oil price used in our base case planning of US\$65 WTI is expected to generate \$2.1 million of cumulative free cash flow over the next five years. The nature of long-term supply or demand disruption is uncertain in nature.</p> <p>Operating Costs:</p> <p>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>GHG Mitigation Budget:</p> <p>To continue to invest in reducing our GHG emissions, we have a dedicated GHG mitigation budget embedded within our capital budgeting process for exploration and development expenditures. In 2022, we allocated \$10 million to GHG reduction efforts. Individual projects are ranked and evaluated on a dollar per tonne annual mitigation metric. A variety of trial project are included in the budget to pilot potential future mitigation program applications.</p> <p>Capital Expenditures and Capital Allocation:</p> <p>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:</p> <p>When Baytex evaluates acquiring or divesting of assets, we consider the emissions intensity of the assets, methane regulatory compliance in</p>

		<p>future years, and a transaction's potential impact on our corporate emissions profile. Our management team also considers the financial impacts that acquired properties may have in terms of future emissions intensity reduction initiatives and regulatory compliance costs.</p> <p>Compensation: ESG matters form part of our annual budget and performance objectives, which are monitored and reported on regularly. For many years, we have included safety and spill metrics as part of our scorecard. Since 2020, our GHG emissions intensity target has been part of our short-term incentive plan scorecard. This is assessed annually and impacts annual compensation for our executive team and all employees.</p>
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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)

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO2e per barrel of oil equivalent (BOE)

Base year

2018

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.112

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

30

Intensity figure in target year for all selected Scopes (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 for Scope 1 (metric tons CO2e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.054

% of target achieved relative to base year [auto-calculated]

172.619047619

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 target coverage and identify any exclusions

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. From our 2018 baseline we have reduced our GHG emissions intensity by 52%. 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).

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

- Shifting from venting to combustors where there is limited gas gathering infrastructure.
- Increasing gas gathering infrastructure and gas conservation.
- Production site consolidation.
- Onsite fuel usage of associated gas.

Target reference number

Int 2

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO₂e per barrel of oil equivalent (BOE)

Base year

2018

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

Intensity figure in base year for Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.112

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

65

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

0.0392

% change anticipated in absolute Scope 1+2 emissions

60

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.054

% of target achieved relative to base year [auto-calculated]

79.6703296703

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 target coverage and identify any exclusions

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).

Plan for achieving target, and progress made to the end of the reporting year

- Shifting from venting to combustors where there is limited gas gathering infrastructure.
- Increasing gas gathering infrastructure and gas conservation.
- Upgrading devices to low-bleed technology.

List the emissions reduction initiatives which contributed most to achieving this target

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.

Methane has been the focus of our GHG emissions reduction efforts for the last four years and we have achieved an 80 per cent reduction of our methane emissions from 2018 to 2021. 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 CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation	3	95,000

To be implemented*		
Implementation commenced*		
Implemented*	4	1,312,300
Not to be implemented		

C4.3b

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

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.
Dedicated budget for other emissions reduction activities	To continue to invest in our GHG emissions, we have a dedicated GHG mitigation budget embedded without our capital budgeting process for exploration and development expenditures. For 2022, we have allocated \$10 million to GHG reduction efforts. This budget was approved by the Board in December 2021.
Dedicated budget for low-carbon product R&D	To encourage the trialing and development of new technologies in partnership with our suppliers, we have a dedicated R&D budget for 2022.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C-OG4.6

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

Since raw natural gas is typically composed of more than 95 per cent methane, and methane's global warming potential is 25 times more potent than carbon dioxide, we focus many of our GHG reduction activities on reducing methane emissions associated with venting activities and fugitive equipment leaks.

Our methane reduction strategies include:

- **Shifting from venting to combustors:** At venting sites with limited gas-gathering infrastructure, we have invested in combustor technology. Combustors burn natural gas that would otherwise be vented, converting methane to carbon dioxide, a less potent GHG.
- **Production site consolidation:** Our development planning includes multi-well pad drilling, where possible, to consolidate production volumes for future gas conservation efforts. We often pair multi-well pads with extended-reach horizontal wells to access resources previously considered uneconomical, and further reduce our footprint. More than 95 per cent of Viking development now incorporates extended-reach horizontal drilling.
- **Preventing leaks:** Our fugitive emissions management program and survey schedule aligns with regulatory requirements. The program's goal is to detect and repair leaks from tanks, valves, connectors and other equipment. Using forward-looking infrared (FLIR) cameras and other protocols, discovered leaks are tagged, documented, and repaired in a timely manner. In 2021, we completed 6,674 surveys and repaired 753 fugitive leaks.
- **Tank top capture:** We have invested in vapour recovery units (VRUs) since 2004. VRUs capture gas vapours from oil storage tanks instead of venting them to the atmosphere. The gas can then be sent to a gas gathering pipeline for sale, used as in-field fuel, or combusted.
- **Upgrading devices:** We upgrade gas-driven pneumatic devices (which release or "bleed" small quantities of methane during normal operations) to low-bleed technology.

Some of the methane abatement projects we have undertaken in our operating areas include:

- 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.
- The **Viking methane mitigation project** has specifically targeted a reduction in methane from wellsite venting by utilizing gas conservation, high-efficiency gas combustors or flaring. From 2019 to 2021, Baytex focused on methane emissions reduction efforts in the Viking. Oil and gas operations in this area, have traditionally involved higher volumes of 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 gas infrastructure.

- In our **Clearwater development** region, we go beyond regulatory compliance by following a "no routine venting" approach. All gas is captured on site, and surveys and repairs of fugitive equipment leaks are completed regularly. This approach has minimized the methane emissions for our operations in the area.
- In 2021 Baytex completed a mitigation project retrofitted high-bleed to **low-bleed pneumatic devices** in 22 Alberta fields. The result is an estimated annual emissions reduction of 6,800 tonnes of CO₂e. The project lowered and methane emission sand will generate carbon credits to help offset future compliance obligations.

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.

Our fugitive emissions management program (FEMP) and survey schedule aligns with regulatory requirements. The program's goal is to detect and repair leaks from tanks, valves, connectors, and other equipment. Using forward-looking infrared (FLIR) cameras and other protocols, discovered leaks are tagged, documented and repaired in a timely manner. In 2021, we completed 6,674 surveys and repaired 753 fugitive leaks.

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.

There are two types of flaring activities in oil and gas operations - routine and non-routine. Routine flaring is continuous in nature while non-routine flaring is intermittent in nature and required for operational upsets and the safe operations of facilities. We seek to minimize routine flaring in our operations. Where flaring is required because of limited gas gathering infrastructure, and to reduce more potent venting emissions, we apply high-efficiency combustor technologies when feasible.

Some of our flaring reduction activities include:

- 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.

- We have shifted from **venting to combustors** at various Viking and Lloydminster sites where there is limited gas gathering infrastructure. Combustors 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) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

C5.2

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

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.

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not quantified.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not quantified.

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not quantified.

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not quantified.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Not quantified.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry, 2009

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

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

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)

1,173,677

Start date

January 1, 2021

End date

December 31, 2021

Comment

2021 direct emissions.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

1,277,869

Start date

January 1, 2020

End date

December 31, 2020

Comment

2020 direct emissions.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

2,342,638

Start date

January 1, 2019

End date

December 31, 2019

Comment

2019 direct emissions

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

2,739,887

Start date

January 1, 2018

End date

December 31, 2018

Comment

2018 direct emissions.

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

95,395

Start date

January 1, 2021

End date

December 31, 2021

Comment

2021 indirect emissions.

Past year 1

Scope 2, location-based

89,642

Start date

January 1, 2020

End date

December 31, 2020

Comment

2020 indirect emissions.

Past year 2

Scope 2, location-based

112,475

Start date

January 1, 2019

End date

December 31, 2019

Comment

2019 indirect emissions.

Past year 3

Scope 2, location-based

102,703

Start date

January 1, 2018

End date

December 31, 2018

Comment

2018 indirect emissions.

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

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

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

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Business travel

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Employee commuting

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Use of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Not applicable.

Other (upstream)

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

Other (downstream)

Evaluation status

Relevant, not yet calculated

Please explain

Current reduction activities are focused on emissions within our operating boundaries and direct control.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

End date

Scope 3: Purchased goods and services (metric tons CO₂e)

Scope 3: Capital goods (metric tons CO₂e)

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
(metric tons CO₂e)**

Scope 3: Upstream transportation and distribution (metric tons CO₂e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Not quantified.

Past year 2

Start date

End date

Scope 3: Purchased goods and services (metric tons CO₂e)

Scope 3: Capital goods (metric tons CO₂e)

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
(metric tons CO₂e)**

Scope 3: Upstream transportation and distribution (metric tons CO₂e)

Scope 3: Waste generated in operations (metric tons CO₂e)

Scope 3: Business travel (metric tons CO₂e)

Scope 3: Employee commuting (metric tons CO₂e)

Scope 3: Upstream leased assets (metric tons CO₂e)

Scope 3: Downstream transportation and distribution (metric tons CO₂e)

Scope 3: Processing of sold products (metric tons CO₂e)

Scope 3: Use of sold products (metric tons CO₂e)

Scope 3: End of life treatment of sold products (metric tons CO₂e)

Scope 3: Downstream leased assets (metric tons CO₂e)

Scope 3: Franchises (metric tons CO₂e)

Scope 3: Investments (metric tons CO₂e)

Scope 3: Other (upstream) (metric tons CO₂e)

Scope 3: Other (downstream) (metric tons CO₂e)

Comment

Not quantified

Past year 3

Start date

End date

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

**Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
(metric tons CO2e)**

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Not quantified.

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

0.054

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

1,173,678

Metric denominator

barrel of oil equivalent (BOE)

Metric denominator: Unit total

21,554,219

Scope 2 figure used

Location-based

% change from previous year

11

Direction of change

Decreased

Reason for change

In 2021, emissions intensity per boe decreased 11% compared to 2020 with an 8% decrease in total emissions and a 3 % increase in throughput volumes. Through our 2021 GHG mitigation we reduced or maintained our GHG intensity across all our operating regions.

Intensity figure

0.00118

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

1,173,678

Metric denominator

unit total revenue

Metric denominator: Unit total

996,518,951

Scope 2 figure used

Location-based

% change from previous year

55

Direction of change

Decreased

Reason for change

In 2021, operated sales increased 106% relative to 2020. Absolute emissions decreased 8% or 104,191 tonnes CO2e. These changes were a result of the increase in oil pricing in 2021 compared to the prior year and lower emissions from emissions reduction initiatives. This resulted in an overall 55% decrease in revenue intensity.

Intensity figure

2,729.48

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

1,173,678

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

430

Scope 2 figure used

Location-based

% change from previous year

9

Direction of change

Decreased

Reason for change

In 2021, full time equivalent (FTE) employee emission intensity decreased 9% compared to 2020, with FTE headcount, of 430, increasing 1% and total emissions decreasing 8%.

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

0.05

% change from previous year

11

Direction of change

Decreased

Reason for change

In 2021, scope 1 emissions intensity decreased 11% compared to 2020 with an 11% decreased in scope 1 emissions and a 3% increase in throughput boe.

Comment

Through our 2021 GHG mitigation we reduced or maintained our GHG intensity across all our operating regions.

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

38

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

38

Comment

In 2021, methane tonnes CO2e were 38% of total scope 1 emissions and decreased 9% compared to 2020 on a % of total scope 1 emissions basis.

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	661,466	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	409,606	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	7,211	IPCC Fourth Assessment Report (AR4 - 100 year)

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

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

499,070

Gross Scope 1 methane emissions (metric tons CH4)

158

Total gross Scope 1 emissions (metric tons CO2e)

503,011

Comment

2021 stationary combustion emissions from fuel gas usage, diesel and propane. Baytex's producing operated wells are predominantly oil.

Emissions category

Flaring

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

175,293

Gross Scope 1 methane emissions (metric tons CH4)

603

Total gross Scope 1 emissions (metric tons CO2e)

190,368

Comment

2021 flaring emissions. Baytex's producing operated wells are predominantly oil wells.

Emissions category

Venting

Value chain

Upstream

Product

Gross Scope 1 CO2 emissions (metric tons CO2)

28,778

Gross Scope 1 methane emissions (metric tons CH4)

13,460

Total gross Scope 1 emissions (metric tons CO2e)

365,270

Comment

2021 venting emissions. Baytex's producing operated wells are predominantly oil wells.

Emissions category

Fugitives

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

144

Gross Scope 1 methane emissions (metric tons CH4)

780

Total gross Scope 1 emissions (metric tons CO2e)

19,634

Comment

2021 fugitive emissions. Baytex's producing operated wells are predominantly oil wells.

Emissions category

Process (feedstock) emissions

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

0

Gross Scope 1 methane emissions (metric tons CH4)

0

Total gross Scope 1 emissions (metric tons CO2e)

0

Comment

No process emissions in our operations.

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	1,078,283

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	40,556
Duvernay District	11,377
Lloydminster District	264,498
Peace River District	319,586
Viking District	442,265

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)	1,078,283	
Oil and gas production activities (midstream)	0	
Oil and gas production activities (downstream)	0	

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)
Canada	95,395	0

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	4,089	0
Duvernay District	974	0
Lloydminster District	37,330	0
Peace River District	20,315	0
Viking District	32,687	0

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)	95,395	0	
Oil and gas production activities (midstream)	0	0	

Oil and gas production activities (downstream)	0	0	
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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	0	N/A
Other emissions reduction activities	80,000	Decreased	7	There was an 80,000 tonne CO2e decrease in emissions related to GHG mitigation activities.
Divestment	0	No change	0	N/A
Acquisitions	0	No change	0	N/A
Mergers	0	No change	0	N/A
Change in output	30,000	Decreased	3	Overall output increased, however this was in operating areas with lower emissions intensities. The result was a 30,000 tonne CO2e decrease in emissions compared to 2020.
Change in methodology	0	No change	0	N/A
Change in boundary	0	No change	0	N/A
Change in physical operating conditions	0	No change	0	N/A

Unidentified	0	No change	0	N/A
Other	0	No change	0	N/A

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 10% but less than or equal to 15%

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)	0	2,593,580	2,593,580
Consumption of purchased or acquired electricity		0	136,498	136,498
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		0	2,730,078	2,730,078

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.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

2,370,223

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

686,637.89

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

Comment

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

2,593,580

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

686,637.89

Comment

Total gas, propane and diesel MWh consumption by the organization.

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	0	0	0	0
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Canada

Consumption of electricity (MWh)

136,498

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

136,498

C9. Additional metrics

C9.1

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

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	12.06	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	0.54	Net of royalty. US volumes are not included as they are not within operational control.
Oil sands, million barrels (includes bitumen and synthetic crude)	0.56	Net of royalty. US volumes are not included as they are not within operational control.
Natural gas, billion cubic feet	16.69	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 as per National Instrument 51-101 Standards for Disclosure for Oil and Gas Activities.

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	220.23	220.23	220.23	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	68	68	68	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)	19	19	19	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.
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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

Tight/shale

In-year net production (%)

2

Net proved reserves (1P) (%)

6

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

6

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

6

Net total resource base (%)

6

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 (%)

41

Net proved reserves (1P) (%)

35

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

30

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

30

Net total resource base (%)

30

Comment

These volumes represent our volumes attributed to Heavy Oil (9-17 API) development type. 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

In-year net production (%)

53

Net proved reserves (1P) (%)

55

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

45

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

45

Net total resource base (%)

45

Comment

These volumes represent our volumes attributed to a Conventional development type. 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

Oil sand/extra heavy oil

In-year net production (%)

4

Net proved reserves (1P) (%)

4

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

19

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

19

Net total resource base (%)

19

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	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.

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.

45

C10. Verification

C10.1

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

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

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

 12574487-RPT-1-2021 CDP Verification Letter.pdf

Page/ section reference

Verification scope included scope 1 emissions for the 2021 GHG inventory and a reasonable assurance opinion was provided by the third party verifier. Please see the attached.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Reasonable assurance

Attach the statement

 12574487-RPT-1-2021 CDP Verification Letter.pdf

Page/ section reference

Verification scope included scope 2 emissions for the 2021 GHG inventory and a reasonable assurance opinion was provided by the third party verifier. Please see the attached.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100


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?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year emissions intensity figure	ISO14064-3	Verification of scope 1, scope 2, scope 1 intensity, and scope 1 and 2 intensity completed for 2021 emissions data.  1

 12574487-RPT-1-2021 CDP Verification Letter.pdf

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 TIER - ETS
 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 TIER - ETS

% of Scope 1 emissions covered by the ETS

29

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2021

Period end date

December 31, 2021

Allowances allocated

322,632

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO₂e

304,375

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

In the Province of Alberta, the Technology Innovation and Emission Reduction (TIER) regulation applies to facilities that emit more than 100,000 tCO₂e. None of our facilities meet this criteria; however, we chose to opt into this provincial regulation by aggregating our operated facilities. By opting in we fall under the provincial regulations, and are not subject to the federal carbon pricing system. The Alberta regulation requires an immediate 10 per cent reduction from a 2020 benchmark. To the extent a company does not meet the required reduction (which can be met through abatement, offsets or payment into a compliance fund), annual compliance fees apply to the excess regulated emissions. At a minimum, the province matches the federal carbon pricing schedule and applies this price to the excess emissions.

For 2021, regulated emissions in TIER represent 29% of total scope 1 emissions. The 2021 compliance return obligation was -18,257 tonnes CO₂e, with fuel combustion reductions beyond the reduction required from the baseline. Credits are expected to be reviewed and issued by Alberta Environment and Parks in September 2022.

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, 2021

Period end date

December 31, 2021

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 operated facilities are registered in the provinces where we operate and federally with ECCC and CRA. The federally equivalent provincial performance standards apply in the Province of Saskatchewan (OBPS) and the Province of Alberta (TIER). We therefore have no obligations for registered facilities under the federal backstop pricing system.

Saskatchewan OBPS - ETS

% of Scope 1 emissions covered by the ETS

18

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2021

Period end date

December 31, 2021

Allowances allocated

162,718

Allowances purchased

19,169

Verified Scope 1 emissions in metric tons CO₂e

181,886

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

In the Province of Saskatchewan, the Output-Based Performance Standard regulation applies to facilities emitting more than 25,000 tCO₂e. We elected to register our Kerrobert SAGD facility, even though it is under this threshold. For the remainder of our operated facilities in Saskatchewan, we have opted into this provincial regulation by aggregating them. As a result our operated facilities are not directly subject to the federal carbon pollution pricing system. This provincial program currently requires an annual 1.25 per cent reduction in stationary combustion emissions escalating to a total 15 per cent reduction by 2030 when compared to a 2019 baseline. To the extent a company does not meet the required reduction, annual compliance fees apply to the excess regulated emissions. At a minimum, the province matches the federal carbon pricing schedule and applies this price to the excess emissions.

For 2021, regulated emissions in SK OBPS represent 18% of total scope 1 emissions. Purchased allowances are an estimate, with aggregate compliance returns being reviewed by the Province in Fall 2022.

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.

Carbon pricing in Canada increased from \$40 per tonne of CO₂e (tCO₂e) in 2021 to \$50 per tCO₂e in 2022, and will continue to increase \$15 per tCO₂e annually to \$170 per tCO₂e in 2030. There are direct costs of compliance fees in performance standards, as well as inflationary influences on the cost of services and products as carbon pricing increases.

Our risk assessments consider the current and proposed legislative methane and emission requirements.

» We are registered in performance standards in Alberta and Saskatchewan that significantly lower our direct costs and financial exposure to carbon pricing in our operations.

» Emissions reduction initiatives are focused on maintaining compliance in a tightening regulatory environment and reducing our financial exposure to carbon pricing in the future.

As part of the transition risk scenario analysis we conducted, we tested the impact of different carbon prices. We included prices announced by the Canadian Federal government (\$170 in 2030) and different taxable rates. As the details of implementation of the Canadian 2030 Emissions Reduction Plan become clearer, we will share more of our analysis with our investors.

C11.2

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

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit origination

Project type

Methane avoidance

Project identification

Alberta Emissions Offset Registry Project4545-5902: The Baytex Energy Pneumatic Device Conversion Program seeks to reduce vented methane emissions through the conversion of pneumatic devices. The pneumatic conversion can be to either a low or no bleed alternative or an electrically powered alternative, which results in a reduction of carbon dioxide and methane emissions.

Verified to which standard

Not yet verified

Number of credits (metric tonnes CO₂e)

Number of credits (metric tonnes CO₂e): Risk adjusted volume

Credits cancelled

No

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

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

No, but we 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

Collaborate with suppliers on abatement technologies

% 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

Adapting mitigation technologies to meet our operational needs resulting in the reduction of emissions.

Comment

In 2021, we partnered with vendors to develop and trial different technologies, including ultra-low gas rate combustors, ultra-low-pressure tank-top combustors, and dual-capacity combustors that can handle varying gas flow levels. If new technologies are successful we will use them in future GHG mitigation programs.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify
Responsible supply change behaviors

% 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

We evaluate the safety performance of contractors who work at our sites or who transport our product by truck. All contractors must abide by our Health, Safety, and Environment guidelines, and trucking contractors must abide by Transportation of Dangerous Goods regulations.

Impact of engagement, including measures of success

Our selection criteria includes historic safety and spill performance. The evaluation of this criteria promotes overall responsible supply chain behaviors.

Comment

Type of engagement

Details of engagement

% 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

Impact of engagement, including measures of success

Comment

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, and we do not plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, and we do not plan to have one in the next two years

Describe the process(es) your organization has in place to ensure that your engagement activities 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 meet to align on the purpose and objectives of the engagement.

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Carbon tax
Mandatory climate-related reporting
Methane emissions

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Baytex engages with regulatory and government agencies regarding the implementation and interpretation of various climate-related policies and regulations. This includes and is not limited to:

- Alberta Energy Regulator
- Alberta Environment and Parks
- Alberta Methane Emissions Program
- Saskatchewan Ministry of Energy and Resources
- Saskatchewan Ministry of Environment
- Saskatchewan Climate Resiliency Branch
- Environment and Climate Change Change
- Natural Resources Canada

Policy, law, or regulation geographic coverage

Regional

Country/region the policy, law, or regulation applies to

Canada

Your organization's position on the policy, law, or regulation

Support with minor exceptions

Description of engagement with policy makers

Baytex engages with policy makers to provide feedback and obtain guidance on the application, implementation and interpretation of policies as they relate to our operations. We comply with government requirements in the areas where we operate.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Explorers and Producers Association of Canada (EPAC)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

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.

EPAC's visions is to:

- Advocate to governments, policy makers and regulators.
- Communicate our association's views to the public and media.
- Educate Canadians about our energy industry.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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

Other, please specify

TCFD Report

Status

Complete

Attach the document

 2021 Baytex TCFD Report FINALweb.pdf

Page/Section reference

Throughout entire document attached.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify
 Scenario analysis

Comment

Please see the attached 2021 TCFD Report.

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 2021 Baytex ESG Report FINALweb.pdf

Page/Section reference

Emissions Management pages 10-13
Governance page 39
Opportunities page 17

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>The Reserves and Sustainability Committee has the highest level of oversight for sustainability-related matters, including health, safety, environment, and climate. Executive level oversight on environmental matters, including biodiversity and reclamation activities, is the responsibility of the Chief Operating and Sustainability Officer.</p> <p>As part of our development planning and operations we focus on minimizing our environmental footprint. We comply with government requirements protecting biodiversity in the areas we operate.</p> <p>Baytex takes a proactive approach to restoring our end-of-life assets to their pre-disturbance state. Baytex has made a long-term commitment to restore its 2020 inactive inventory of 4,500 wells to zero by 2040. Our short-term commitment is to spend \$100 million or \$20 million per year, from 2022 to 2026 on these activities.</p>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity
Row 1	No, and we do not plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
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Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years
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C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water management

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
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C16. 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.

C16.1

(C16.1) 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 Sustainability Officer (CSO)
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Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms