



ESG REPORT

TCFD Aligned
Reporting Table



	GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS & TARGETS
description	<p>Disclose the organization’s governance around climate-related risks and opportunities.</p>	<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.</p>	<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>
recommended disclosure	<p>a. Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long-term.</p>	<p>a. Describe the organization’s processes for identifying and assessing climate-related risks.</p>	<p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>
disclosure	<p>Board oversight of climate-related issues is integrated into board governance mechanisms when reviewing and guiding strategy, overseeing progress and performance management of targets and goals, action planning, managing risks, ESG strategy, Climate Risk Strategy, and validating business plans and budgets. More specifically, the Reserves, Safety & Social Responsibility (RS&SR) committee was established by the Enerplus Board of Directors to assist the board with oversight and governance of the corporation’s policies, initiatives and performance to ensure that Enerplus’ activities are planned and executed in a safe and responsible manner and to ensure there are adequate systems in place to support safety and environmental management. This committee is responsible for: reviewing legislative and regulatory changes that potentially have an impact on the corporation; understanding current and emerging ESG, sustainability and safety issues and evaluating the impact on the corporation; reviewing the progress pertaining to climate specific reduction targets and goals; evaluating current or pending legal issues related to sustainability by or against the corporation; and receiving an annual due diligence statement from the president and CEO of Enerplus. The RS&SR committee reviews the corporation’s performance related to RS&SR quarterly and ensures that long range programs are in place to limit or mitigate future liability. The RS&SR committee is comprised of, at a minimum, three independent directors which are appointed annually following the annual general meeting of the corporation. The CEO is responsible for board liaison. The RS&SR board committee chair presents verbal and/or written reports regarding the corporation’s RS&SR performance, committee meetings and discussions at scheduled meetings of the board of directors.</p>	<p>Enerplus identifies short-term as 0-5 years, medium-term as 5-10 years and long-term as 10-30 years.</p> <p>RISKS IDENTIFIED INCLUDE:</p> <ol style="list-style-type: none"> 1. Current regulations and carbon pricing mechanisms which could lead to increased indirect operating costs. This risk is a short through long-term risk and is likely to occur. Enerplus will continue to track climate change legislation developments. Fuel efficient equipment retrofits and energy efficiency project opportunities will continue to be analyzed. Emissions reduction costs are included in strategic decision making. 2. The potential for chronic physical changes in precipitation patterns and extreme variability in weather patterns. The primary potential financial impact is increased indirect operating costs for this medium to long-term risk. Weather conditions such as flooding, drought, snow/ice from changes in precipitation are a risk to Enerplus’ operations. To manage this risk, Enerplus ensures that proactive asset integrity programs are followed, routine facility inspections are performed, along with the diligent maintenance of area specific Emergency Response Plans and the continuous training of corporate and field staff on emergency response procedures. <p>OPPORTUNITIES:</p> <p>Organizational opportunities for managing our climate risks are wide ranging and include: improving efficiencies from our direct operations which will lead to reduced operating costs in the near-term; leveraging existing and emerging technology to limit our flaring; reducing and eliminating leaks; exploring additional opportunities to enhance the beneficial use of our excess gas including the use of mobile data sites; and driving additional emissions efficiencies through the generation of our own power with any additional power generated going into the grid.</p>	<p>Our risk management process is integrated into our multidisciplinary, company-wide risk enterprise risk management process. At a minimum, this occurs annually, with additional reviews taking place as required, and assesses short and medium-term risks. During annual asset area reviews, climate-related risks (both likelihood and potential severity) are assessed using operational knowledge, current and upcoming regulatory requirements and through conversations with vendors and regulators. Risk assessments are completed annually, however additional reviews take place throughout the year as conditions change. Climate risks are evaluated based on severity and frequency to determine the appropriate risk level and to determine the controls that need to be in place to manage the climate risk.</p> <p>Our planning time horizons are:</p> <p>SHORT-TERM (0-5 years) Reflective of our operational budgeting cycle and planning schedule. Activities within this time horizon could include:</p> <ul style="list-style-type: none"> • qualitative scenario analysis, • internal scenario forecasting, • reducing lower-cost emissions sources, • compliance requirements, • reporting methodology improvements, and • meter management planning <p>MEDIUM-TERM (5-10 years) Aligns with our extended term strategic and financial planning process. Activities within this time horizon could include:</p> <ul style="list-style-type: none"> • evaluating technology pilots, • supporting commercialization, and • striving to reduce higher-cost emissions sources <p>LONG-TERM (10-30 years) Evaluating our opportunities to link internal long-term planning to global climate management strategies.</p>	<p>Scope 1 and 2 emissions and methane emissions, absolute and intensity.</p>

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recommended disclosure	<p>b. Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>b. Describe the impact of climate-related risks and opportunities on the organization’s business, strategy, and financial planning.</p>	<p>b. Describe the organization’s processes for managing climate-related risks.</p>	<p>b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>
disclosure	<p>The Senior Vice President and Chief Operating Officer reports to the board and the RS&SR board committee on relevant matters pertaining to climate-related issues such as emissions management including methane in various changing regulatory jurisdictions. In addition, an ESG Management Committee comprised of senior management and subject matter experts meets quarterly and serves to guide the organization’s strategy, initiatives, performance management and goal and target setting, while reviewing existing and upcoming regulatory requirements and monitoring sustainability trends as they develop.</p>	<p>In 2019 Enerplus conducted a materiality survey and began in-depth reviews of our climate-related risks and opportunities pertaining to both emissions reduction and water use management. This process has led to the annual publication of management strategies in our ESG Report. This work influenced our strategy and led to the development of greenhouse gas emissions reduction and freshwater use reduction targets being enacted January 1, 2020, both of which were successfully exceeded. Financial planning elements that have been influenced by these targets and goals include indirect costs and capital expenditures.</p> <p>An example of this is the re-design of our completions strategies which will allow the reuse of produced water during completion activities. This strategy greatly reduces our reliance on freshwater withdrawals therefore decreasing the costs for water handling and trucking expenses. The impact of these on-going climate-related risk reviews has led to additional targets pertaining specifically to methane reduction set in 2021 and revised in 2022. Additionally, we have revised our baseline to encompass acquisition and divestment activity updating our mid and long-term targets.</p>	<p>Climate risk management processes are integrated into multidisciplinary company-wide risk management processes, which are assessed more than annually as required, pertaining to both short and medium-term risks. During annual asset area reviews, climate-related risks, both likelihood and potential severity, are assessed using operational knowledge, current and upcoming regulatory requirements and through conversations with vendors and regulators. Risk assessments are completed annually, however additional reviews take place throughout the year as conditions change. Climate risks are evaluated based on severity and frequency to determine the appropriate risk level and to determine the controls that need to be in place to manage the climate risk. Enerplus defines substantive impact as risks that have the potential to affect direct operations only. Substantive impacts affect the economic viability of an operational area or facility, triggering a new evaluation of whether the facility is a net asset or liability. Metrics used to determine substantive impact include: proved reserves, annual production, net income, cashflow, fixed and variable operational costs, finding and development costs and capital efficiencies. These metrics are reviewed at a minimum of annually. Due to variable economic parameters, specific thresholds used to determine substantive impact vary by operational area. At some tipping point, the economics of the well or pad may no longer make business sense. These evaluations are done throughout each projects lifecycle.</p>	<p>2022 Scope 1 emissions: 838,199 metric tonnes CO2E</p> <p>2022 Scope 2 emissions (location based): 124,254 metric tonnes CO2E, based on purchased electricity consumption.</p> <p>2022 Scope 3 emissions, category 6: 66,872 CO2 (Kgs), based upon calculations provided by our external travel agent pertaining only to corporate air travel.</p>

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<p>recommended disclosure</p> <p>disclosure</p>		<p>C. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p> <p>Leveraging our robust strategic planning process through various time horizons allows our internal forecasting to support the determination of our strategic priorities. Multiple methods, internal forecasts, and known scenarios are used to describe Enerplus’ resiliency to the risks of a changing climate. These include:</p> <ul style="list-style-type: none"> • Our Corporate Cashflow Model, which is used to continuously test affordability and the corporate bottom line. In depth reviews of all new, pending and announced government climate-related policies are conducted on an on-going basis; • Carbon pricing analysis is conducted on a jurisdictional basis. Location-specific compliance cost estimates are determined using Enerplus’ current asset and facility base; • The most recent economic policy analysis was conducted in 2018 and looks forward through 2023. Areas considered within the analysis include all wells, facilities, production mix, expected growth curves and prospective acquisitions and divestments. The results of the analysis assign a per BOE dollar cost to comply with new and pending government policy. These costs are used throughout the operational and capital budgeting process and are factored into the business development strategy; • The consequences of multiple International Energy Agency (IEA) stated scenarios, including the Stated Policies Scenario (STEPS) and the Announced Pledges Scenario (APS), have been analyzed to identify different risks and mitigation opportunities prescribed by the different policy environments, projected technological advancements and global energy demand projections. Additional scenario analysis information can be found within our 2023 ESG Report; and • The Nationally Determined Contributions (NDCs) and the IPCC Special Report on 1.5 degree global warming have been reviewed to further understand our future resilience. <p>The summation of these activities has contributed to achieving our goal of formalizing our Climate Risk Strategy to drive a better understanding of the resiliency of our business model to continue to drive down our emissions through economic technology implementation.</p>	<p>C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p> <p>The identification of climate-related risks is integrated into our business, where specific functional groups help identify and assess climate-related risks. The ESG Management Committee, made up of Enerplus’ senior leadership team and subject matter experts, meets quarterly to discuss climate-related risk matters and align on a management plan. Additionally, an Emissions Reduction Working Group manages the Emissions Reduction Budget (ERB) and Emissions Reduction Project Taskforces meet bi-weekly to ensure continued progression of our efforts.</p>	<p>C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> <p>2030 EMISSIONS INTENSITY REDUCTION TARGET: Our long-term target is to reduce our scope 1 & 2 GHG emissions intensity by 35%, based on a 2021 baseline. In 2022, we reduced our scope 1 & 2 GHG emissions intensity by 14% from our 2021 baseline.</p> <p>METHANE TARGETS: Our mid-term target is to reduce our corporate methane emissions intensity by 30% by 2025 and 50% by 2030, based on our 2021 baseline. In 2022, we reduced our methane emissions intensity by 4% from our 2021 baseline.</p>