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December 10, 2019

Mayor Don Scott and Council
Regional Municipality of Wood Buffalo
9909 Franklin Avenue,
Fort McMurray, AB T9H 2K4

Dear Mayor Scott and Council,

Suncor appreciates the opportunity to have worked collaboratively with Council and Administration over the past year to enhance a successful live and work model for Wood Buffalo. I'd like to take this opportunity to provide an update on some of the work we've been doing to attract and retain more local employees as well as strengthen the region.

After more than 50 years of operating in the Regional Municipality of Wood Buffalo (RMWB), Suncor's commitment to the community is as strong as ever. We're proud to play a significant role in generating diverse employment, providing strong economic benefits and investing in building a healthy, vibrant and sustainable future for all. At the same time, our industry continues to be challenged by curtailment, low commodity prices and lack of market access. We also realize that the effects of the economic downturn have had a significant impact on the region as we continue to recover from the wildfire. While uncertainty continues to surround us, one thing is clear—Suncor shares your spirit and dedication to seeing our region succeed.

Suncor is one of the largest employers in the region with close to 5,000 employees making their home here. We also employ around 1,500 indirect employees in addition to temporary maintenance (e.g. turnaround) staff and seasonal workers supporting winter programs such as drilling. As evidence of our approach to looking locally first, we've had 224 new hires join the company in 2019—132 were already living in the region and 92 were relocated. We also transferred an additional 26 Suncor employees to the RMWB from other locations where we operate. Over the last three years, we've hired or relocated more than 1,100 employees and their families to the region. We offer incentives such as a relocation package, salary uplift and housing program. Suncor is also dedicated to ensuring we're optimizing employment and training opportunities for local Indigenous Peoples, women and youth.

Further, a Regional People Strategy (RPS) was formulated to inspire and retain our current employees and attract new employees to live and work in the region. Some of the RPS focus areas are: Housing, Travel, Health Care, Child Care and Connecting Regional Workers with the Community. We have already introduced several improvement initiatives across site and will continue to develop internal and external actions to enhance employee engagement and build a better sense of community on and off site. One example is our work with the municipality to develop a Park and Ride pilot program intended to improve flexibility for our employees. In

addition, we are interested in working with local partners on initiatives to promote the community, such as the “Shop Local Passport,” while participating in others, including the Place Brand committee.

While our Base Plant and MacKay River operations are locally staffed, we continue to provide fly in/fly out (FIFO) employment at our Firebag and Fort Hills operations. This is required to ensure these remote sites are run safely and effectively. We also use FIFO for temporary and seasonal work. Suncor currently has 1,386 FIFO employees. We will continue this approach while working with the Oil Sands Community Alliance and the RMWB to address the challenges and opportunities around attracting more workers to live in the region.

We also encourage our contractors to support the sustainability of the region by hiring local workers using a performance metric to steward outcomes. At Base Plant, our long term maintenance contractors have close to 100 per cent local employees and other vendors are tracking close to 85 per cent.

Suncor is also implementing ways for our non-resident workers to spend time in the community, providing an economic boost to local businesses. For example, we provide a daily bus between Suncor-used camps and Fort McMurray to allow workers to visit. Year-to-date we’ve seen around 2,500 riders take advantage of this service. We also assume that around half of the approximately 4,000 turnaround workers who stay in camps use their own vehicles to travel to town. We also recently introduced as-requested travel from Firebag to Fort McMurray four days a week.

Strong economic performance, along with social responsibility and environmental stewardship, is part of being a sustainable energy company. Our economic performance allows us to invest in profitable growth, make improvements to our existing operations and continue to create value for our shareholders and society at large. Our operations across Wood Buffalo result in annual economic impacts in 2019 including approximately:

- \$175 million paid in municipal property taxes;
- \$4.8 billion spent on local goods and services;
- \$520 million spent with Indigenous vendors

Suncor is also an active member of the community. This includes employee donations and volunteering through our SunCares program, support for social profits and community building initiatives. When it comes to community investment, we focus on three priority areas: community resilience, Indigenous Peoples and energy future. Suncor and the Suncor Energy Foundation are proud to have invested nearly \$68 million in the RMWB from 2000-2018. Our major local investments in 2019 include:

- \$600K - Northern Lights Health Foundation (part of \$3M multi-year commitment)
- \$500K - FuseSocial (part of \$1.5M multi-year commitment)
- \$450K - United Way of Fort McMurray and Wood Buffalo
- \$300K - Local HERO Foundation (multi-year commitment)
- \$200K - Suncor Community Leisure Centre (part of \$1M multi-year commitment)
- \$200K - Wheaton-Penney Childcare Centre (part of \$1.4M multi-year commitment)

We appreciate the role your office holds in supporting an attractive quality of life for residents and share your optimism for a sustainable local economy. In 2020, Suncor expects to invest up to \$3.8 billion in capital expenditures on our upstream oil sands operations. This includes continued construction on an estimated \$1.4 billion cogeneration facility at Base Plant which will require a peak incremental workforce of 600 and is projected to be in-service in the second half of 2023. Our turnarounds over the next two years will also require workforces ranging from around 2,000 to 5,500 direct and indirect contractors.

Suncor is here for the long term. We're committed to delivering safe, reliable, low-cost production, while being leaders in growth, technical innovation and environmental sustainability. We look forward to continuing to work with Council and Administration on solutions to further strengthen our region's economy and attract more employees and their families here.

I am happy to further discuss Suncor's commitment and contributions to the RMWB or any related matter. Please feel free to contact me directly at twolsey@suncor.com.

Sincerely,



Tracey Wolsey
Director, Indigenous and Community Relations
Suncor Energy Inc.

