



Report on
sustainability 2013



Report on sustainability 2013

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On the web:

Learn more at
suncor.com/sustainability

Information contained in this publication is as at July 1, 2013. See the back page for a legal notice regarding forward-looking statements and other information contained in this publication.





Creating energy for our world

The world we create energy in is the same world we create energy for. We want to help make that world more sustainable.

At Suncor*, we pursue a triple bottom line vision of sustainability. That means developing resources in a way that delivers economic prosperity, improves social well-being and creates a healthy environment for today and tomorrow.

We're striving to continuously improve our performance and consistently raise the bar. It's through our annual Report on Sustainability that we are able to share with you the progress we've made, the challenges we face and how we can work together to deliver on our goals.

About Suncor's 2013 Report on Sustainability

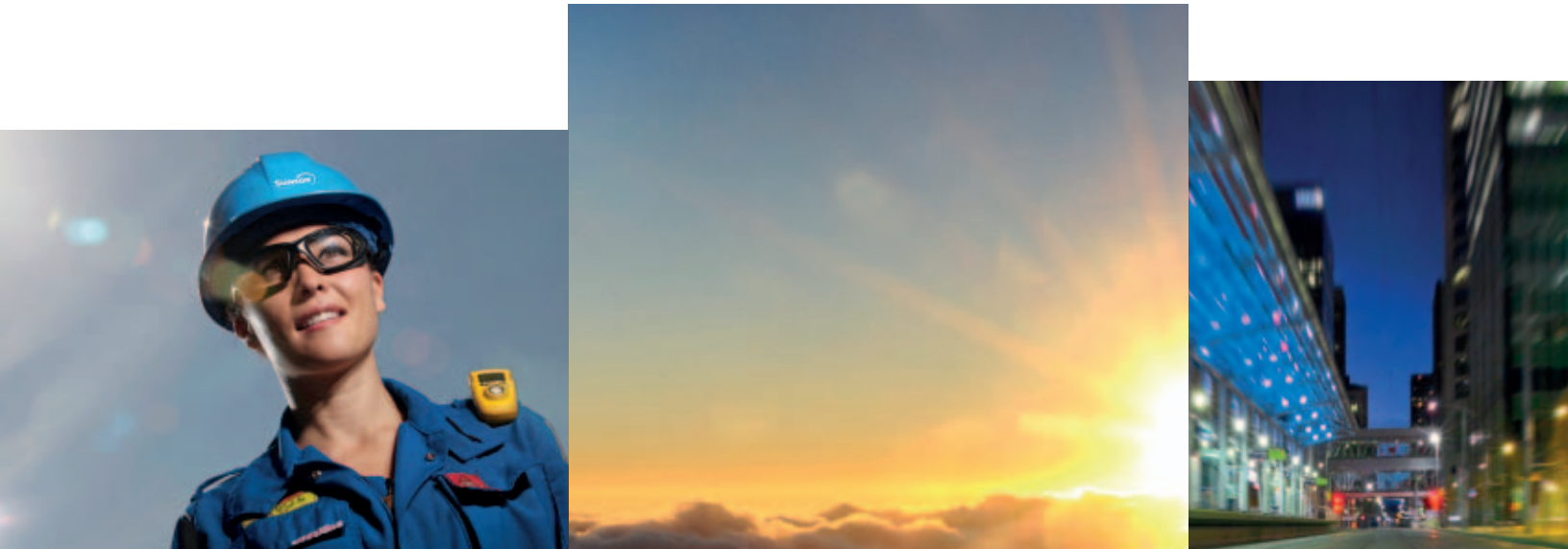
Suncor's 2013 report includes consolidated social, economic and environmental data. For more information, refer to the Performance Data section in the online version of our report. Economic data is consistent with that reported in Suncor's 2012 Annual Report.

This report on sustainability was created using the Global Reporting Initiative (GRI) G3.1 Guidelines and Oil and Gas Sector Supplement (O&GSS) to the GRI checked A+ application level. GRI's Application Level Check Statement, along with our boundary conditions, can be found online at sustainability.suncor.com in the About Suncor section. Selected performance indicators for the year 2012 were independently reviewed using the GRI G3.1 Guidelines and O&GSS. The results of this review can be found on the online version of our report within the Third Party Assurance section.

Stakeholder feedback is an integral part of developing this report. Suncor enlisted the guidance of Ceres, a network of investors, labour representatives, environmentalists and other public interest groups to help ensure our report is relevant and meaningful. We thank Ceres and the participating stakeholders for their assistance in creating the 2013 Report on Sustainability. For a full report, including performance data as well as a discussion of challenges and opportunities, visit sustainability.suncor.com.

* References to Suncor herein mean Suncor Energy Inc., its subsidiaries, partnerships and joint arrangements, unless the context otherwise requires.

Performance at a glance



Suncor's vision is to be trusted stewards of valuable natural resources. Guided by our values, we will lead the way to deliver economic prosperity, improved social well-being and a healthy environment for today and tomorrow. Here is a snapshot of our priorities in 2012 and how we performed.

Pursue zero injuries

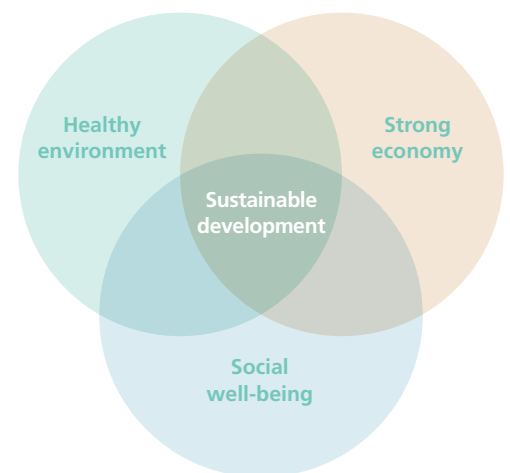
The frequency of employee lost time injuries and recordable injuries continued to decline as employees and contractors embraced our Journey to Zero safety culture and its guiding value: Do it safely or don't do it.

We continued to implement clear and consistent process safety standards, procedures, training and audits across Suncor's operations – a program we expect to complete by the end of 2013. Process safety targets the prevention of incidents that can result in fatalities or significant injuries, as well as environmental, health and property damage.

Reduce our environmental footprint

Suncor continued to make progress on its four 'beyond compliance' environmental performance goals to improve energy efficiency, achieve absolute reductions in freshwater consumption and air emissions, and increase land reclaimed by 2015. We completed several years and more than \$1.3 billion of work to implement our TRO™ tailings management process that is expected to dramatically accelerate the reclamation of tailings ponds and mined lands and reduce the need for future tailings ponds. And we began to implement our Oil Sands Water

Suncor pursues a 'triple bottom line vision' of sustainable development: we maintain that energy development should occur in a way that provides economic prosperity, promotes social well-being and preserves a healthy environment.



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Management Strategy – a region-wide approach aimed at further reducing our freshwater withdrawal, increasing reuse and recycling of wastewater and tailings water in our operations, and limiting overall tailings containment.

Addressing the climate change challenge

Suncor's absolute greenhouse gas (GHG) emissions and emissions intensity both increased in 2012, due mainly to significant production increases at our Firebag in situ operations. While we expect intensity levels to decline as those new projects mature, GHG management is a challenge requiring multiple responses. Suncor continued to implement measures that conserve energy and lower GHG emissions while investing in longer term technologies aimed at significantly reducing emissions intensity and potentially 'bending the curve' on absolute emissions. We also continued to engage in and encourage a broader public dialogue on energy development, use and conservation.

Promote social responsibility

Suncor began implementing a bold new approach to community investment aimed at helping communities near Suncor's operations grow, thrive and become sustainable. Part of that journey involves addressing broader social challenges –

including skilled labour shortages and supporting Aboriginal youth. We also began to implement a new and more comprehensive strategy to work with Aboriginal businesses and communities to advance mutually beneficial economic development. And we continued to integrate Suncor's Human Rights Policy across our operations.

Generate prosperity and opportunity

In 2012, royalties paid by Suncor totalled approximately \$2.3 billion, including \$684 million directed to Alberta government oil sands royalties. Suncor also paid more than \$1.5 billion in taxes to governments in Canada and internationally, and spent \$11.2 billion on goods and services. Our supply chain spending showed we had vendors in all 10 Canadian provinces as well as the Northwest Territories and the Yukon.

Advance collaboration

Suncor co-founded Canada's Oil Sands Innovation Alliance (COSIA), an alliance of 14 companies representing 90 per cent of oil sands production. Through COSIA, companies share technologies and best practices focused on performance improvements in four environmental priority areas: tailings, water, land and GHG emissions.

\$11.2_B

Spent on goods and services

\$1.5_B

Taxes to governments in Canada and internationally

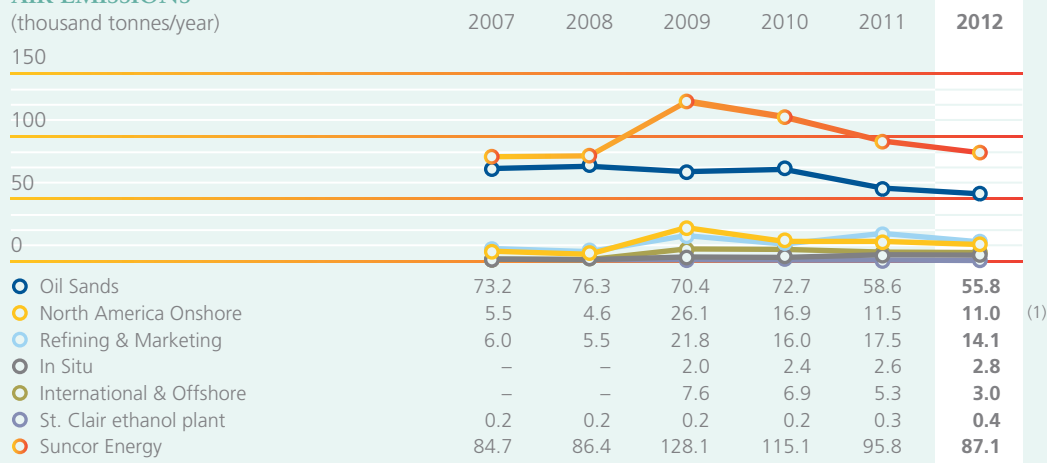


On the web:
For our full report on our performance, including performance data, visit suncor.com/sustainability

Performance at a glance

AIR EMISSIONS*

(thousand tonnes/year)



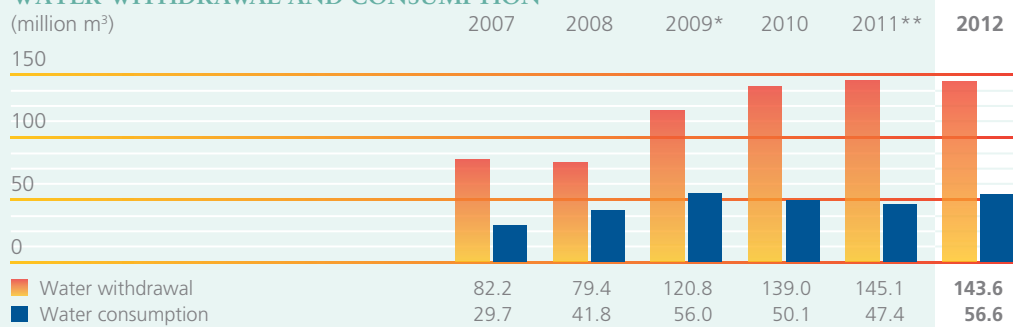
* Air emissions include SO₂, NO_x and VOC emissions.

(1) This business unit was previously called Natural Gas.

Key focus areas for air emissions management include air quality monitoring, sulphur dioxide (SO₂), nitrogen oxides (NO_x) and volatile organic compounds (VOCs). Suncor's total reported emissions to air in 2012 decreased by almost 8.7 per cent compared to 2011 levels.

WATER WITHDRAWAL AND CONSUMPTION

(million m³)



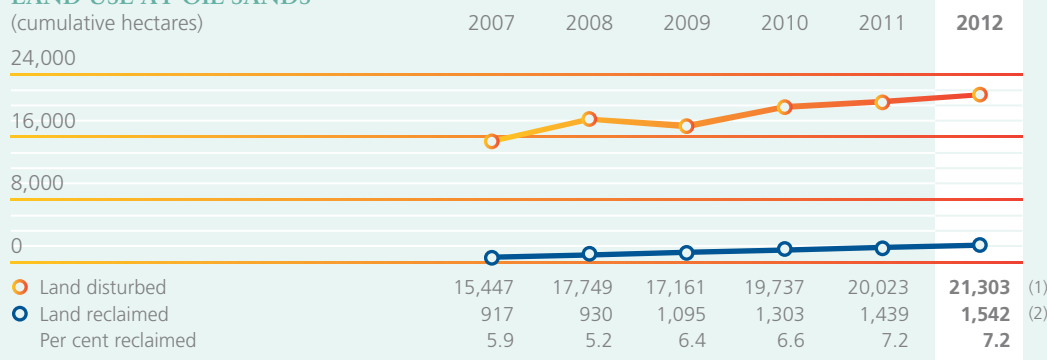
* Beginning in 2009, includes consolidated post-merger data.

** The 2011 values were revised from previous years' reports due to data and process improvements in 2012 which improved the understanding of site conditions for specific facilities.

Key focus areas for water management include implementing water management strategies and conducting water risk assessments in specific facilities and/or business units as well as designing more systems to treat and recycle tailings from our oil sands operations. Suncor's total water consumption increased by 19.7 per cent compared to 2011 levels.

LAND USE AT OIL SANDS

(cumulative hectares)



(1) Reduction in 2009 land disturbed is a result of the removal of In Situ data.

(2) Following Alberta Environment & Sustainable Resource Development's (AESRD) issuance of standards for Geographic Information Systems (GIS) spatial data reporting in 2010, Suncor re-digitized all permanent reclamation areas and removed disturbance feature types (such as roads, power lines, pipelines, etc.) that occurred post-reclamation. This resulted in a removal of 96.3 hectares of re-disturbance from the total of reclaimed areas prior to 2010. As such, the changes in the reclamation areas for each year and the total area permanently reclaimed to the end of 2010 have been updated to reflect these changes. Reclaimed lands have not been certified as such. For further details on the definition of reclaimed, see the legal notice at the end of this publication.

Since Suncor opened Canada's first oil sands mine in 1967, our oil sands operations have disturbed approximately 21,303 hectares of land. As of the end of 2012, the company had reclaimed approximately 1,542 hectares, or about seven per cent of the total land disturbance to date.

LOST TIME INJURY FREQUENCY*

(Injuries per 200,000 hours worked)



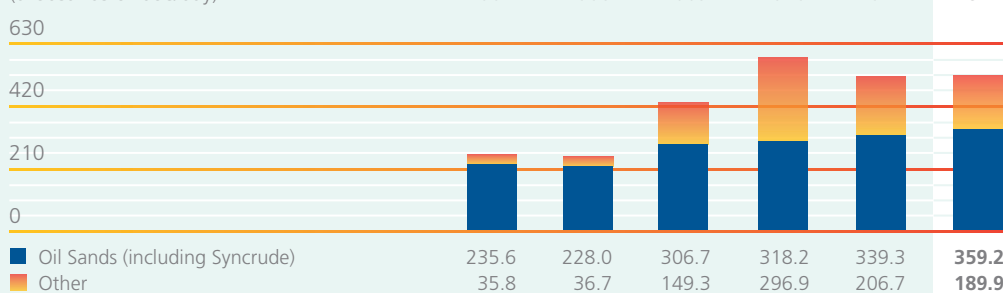
* Exposure hours and lost time injuries data.

** Beginning in 2009, includes consolidated post-merger data.

Based on standard industry safety measures, Suncor continues to make considerable progress on reaching our safety goals. The lost time injury frequency among Suncor employees and contractors declined from a rate of 0.06 in 2011 to a rate of 0.05 in 2012 – an improvement of two per cent.

NET PRODUCTION

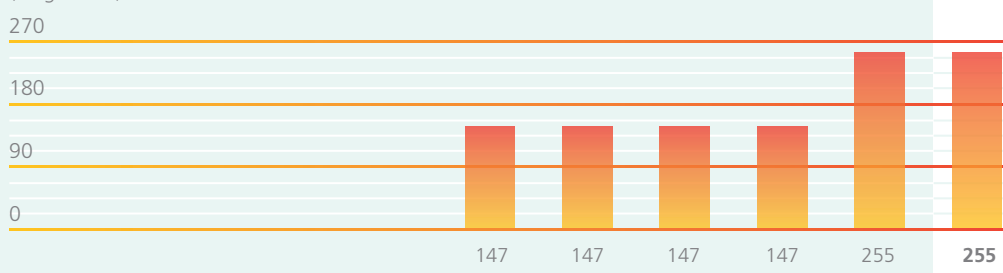
(thousands of boe/day)



Production volumes for 2012 increased for Oil Sands relative to 2011, primarily due to the ramp up of production from Firebag. Exploration & Production experienced a decrease in production in 2012 due to planned maintenance activities, suspension of operations in Syria and the shut in of natural gas wells in 2012. More information can be found in Suncor's 2012 Annual Report.

INSTALLED WIND CAPACITY*

(megawatts)



* Production capacity at wind farms in which Suncor is a partner or operator.

Suncor is currently involved in six operating wind farm projects – two of which are operated by Suncor and four which are non-operated. The total installed wind capacity of these operations is 255 megawatts, enough to power about 100,000 Canadian homes per year.

A message from our CEO



“We are in this together and the decisions we make will determine what our future looks like.”

If there's anything that has become apparent in the past few years, it's that energy has the power to divide. Despite that we all need it, the level of debate about energy sources, how it's priced, how it's delivered to consumers, and its environmental impacts have resulted in polarization.

Through all of the debate, we seem to have forgotten the impact of energy in our lives. We are preoccupied deciding what we're against: oil sands, nuclear power, fracking, and have forgotten about what we're for. We've also been distracted from getting to solutions, which all of us need if we're going to get to a positive energy future.

Energy has driven human advancement since the first meal cooked over a wood fire. Today, energy, in its many forms, powers everything from life-saving medical devices to the Internet. Transportation fuels, like the ones Suncor produces, have connected the world, allowing us to take to the roads, the skies – and even into space.

Since 1990, global demand for energy grew by 45 per cent, the size of the global economy tripled and some 700 million people moved from poverty to the global middle class.

The challenge ahead is even greater: over the next 20 years, global energy demands are expected to grow by more than one-third to support the evolving aspirations of a global population expected to increase to nine billion.

The reality is that as citizens on this planet, we're going to need all sources of energy to meet that challenge. And we'll have to find ways to responsibly link supply to demand.

It's that sort of forward thinking that I believe will help us overcome tomorrow's challenges.

While Suncor has always been guided by a focus on sustainability, I wanted the company to take a closer look at our mission, vision and values to help drive our efforts.

We've been holding discussions with our employees and other stakeholders – including community leaders, investors and non-government organizations – to better understand Suncor's identity and purpose today, and what we should strive to be.

The result of those conversations is a reinvigorated mission and vision – our platform for moving forward, which begins with the ambitious mission statement: We create energy for a better world.



Supporting that mission is a strategic vision very much in tune with the ‘triple bottom line’ that guides decision-making at Suncor. Our vision: to be trusted stewards of valuable natural resources and to lead the way to deliver economic prosperity, improved social well-being and a healthy environment for today and tomorrow.

The way we pursue this mission and vision is through our values – the compass that guides us in how we do our work. Our core values include an overriding commitment to safety, respect, raising the bar, honouring commitments and doing the right thing, the right way.

I believe our mission and vision reflect our aspiration. Our more than 14,000 employees – some of the smartest and most dedicated people I’ve ever worked with – fully recognize we must consistently raise the bar on performance to realize our ambitions.

There will be times we falter. The series of spill incidents Suncor experienced in the spring of 2013 were frankly disappointing, and I’ve challenged our team to learn from these incidents to make sure they don’t happen again.

Can we be a leader in generating a prosperous economy and a vibrant society, while maintaining a healthy planet for our grandchildren? With a lot of hard work, and with the understanding that we are all part of something much bigger, I believe the answer is yes. And we can do it while working to protect the environment and creating social well-being.

My optimism is grounded in our experience – what we’ve achieved, the possibilities that can be realized through technology and the fundamental role energy plays in all of our lives.

We believe the responsible development of our core oil sands resource, as well as our conventional oil, natural gas and renewable energy assets, represents a ‘net positive’ in terms of producing and marketing the energy the world needs to grow and progress.

We are on track to meet or exceed our fresh water use and land reclamation goals. Our energy efficiency and reduced air emissions targets remain challenging. But we are determined to build on the gains we’ve made and are already beginning to discuss post-2015 sustainability goals.

Progress on all these fronts – as well as the critical challenge of managing our greenhouse emissions in an era of production growth – is linked to investment in technology, another ongoing Suncor priority.

We believe the best way to operate a profitable business is to, at the same time, advance the well-being of the communities where we live and work. The alliances we’ve formed with Aboriginal businesses and suppliers near our operations are just one example of this kind of ‘shared value’ in action.

Our aspirations are also evident in Suncor’s continued support for the United Nations Global Compact (UNGC) and the UNGC’s 10 Principles, which guide our approach to human rights, labour, environment and corruption – wherever in the world we operate. Suncor is one of seven major companies now leading the effort to establish a UNGC Local Network in Canada to further advance the 10 Principles.

We know we’re part of something bigger, and that requires meaningful engagement and collaboration. Canada’s Oil Sands Innovation Alliance, established in 2012, marked a milestone, bringing an industry-wide focus to bear on making incremental improvements in environmental performance. We need to take collaboration to the next level and engage every sector of the economy – and all our citizens – in an informed discussion about the path forward.

We are in this together and the decisions we make, as companies and societies, will determine what our shared energy future looks like.

Our sustainability journey is a continuous one of learning, engaging and improving performance. And we know that building on our experience and working with others, we can and are committed to creating energy for a better world.

Steve Williams

Steve Williams
president and chief executive officer

On the web:
Read the full conversation
with Steve Williams at
suncor.com/sustainability



Collaboration: creating shared value



“Businesses can be a huge part of the solution to social and environmental challenges.”

As Suncor prepared to report on its sustainability performance in 2012, as well as our plans and priorities, we found ourselves reflecting on how deeply affected our business is by changing market conditions and evolving stakeholder expectations. At the same time, the values we bring to work every day, and the decisions we make, have a direct impact on our stakeholders and our shared environment. In the end, we are all part of something bigger – and we have many common goals and obligations.

We decided to make these interconnections a key theme of this year's Report on Sustainability and, emerging from that, we asked ourselves an obvious question: How can a company like Suncor best position itself to make a positive impact on the larger society? There's no simple answer, but we believe the principle of 'creating shared value' is a good place to start. In other words, we need to strive to create economic value in a way that not only benefits our shareholders, but also creates value for society.

On the meaning of shared value:

Harvard University's Michael E. Porter is one of the key proponents of the shared value principle, and we've had him come to talk to us about it.



Professor Porter defines shared value as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. What's exciting to me about this approach is that it encourages businesses to do what they do best – innovate and create value. It recognizes that businesses, acting as businesses, can be a huge part of the solution to many of the social and environmental challenges we face.

On applying this principle to Suncor's business:

This is something we aim to do. When you consider Suncor's core oil sands resource, and where it's located, the concept of 'shared value' becomes very easy to understand.

We've got these world-class reserves located beneath the boreal forest of northern Alberta. It's not like we can pick up and move our business. So we are all invested in the economic health and social well-being of the communities where we operate, and in the shared environment.

How do we create shared value in a place like the Wood Buffalo region? You can see part of the answer in recent changes

Suncor has made to its community investment program, where we are targeting initiatives that build skills, knowledge and capacity. For example, Suncor supports a number of education and training programs aimed at Aboriginal youth. The students and apprentices who go through those programs stand to have a much brighter future. At the same time, we're helping to produce the kind of skilled workers who will contribute to Suncor's success for years to come.

On Suncor's impact on the shared environment:

It's clear oil sands operations have a significant impact on the environment. Our industry faces major environmental challenges, whether it's managing growth in greenhouse gas emissions, further reducing water use or reclaiming tailings ponds.

But we're also an industry committed to continuous improvement in environmental performance. We do this through investment in technology and innovation and, increasingly, through collaboration with industry peers and others. While there's still a lot of work to be done, we've made real progress, as a company and an industry, on many environmental challenges.

The second big picture point is this: growing economies require responsible and affordable sources of energy. This is particularly true when it comes to transportation fuels, which provide mobility. So when you think planes, trains and automobiles, we're still going to rely primarily on oil for many years to come.

Our common goal is to create a more sustainable energy future that helps build stronger and more just societies. But how do we get from where we are to where we want to be? It's going to require significant investment in technology, innovation and new infrastructure. And that's the kind of financial capacity and shared value non-renewable resource development can help generate.

Gord Lambert
*executive advisor,
sustainability and innovation*



On the web:
Read the full conversation
with Gord Lambert at
suncor.com/sustainability

Environmental performance

As we develop energy, we're focused on minimizing our impact on shared water, land and air resources.



Suncor's environmental performance goals

In 2009, we committed to a series of strategic environmental performance goals. These performance goals are challenging and will require significant resources (capital investments and people) and focus.

Indicator Environmental performance goal*

Water	Reduce fresh water consumption by 12% by 2015
Land	Increase reclamation of disturbed land area by 100% by 2015
Energy efficiency**	Improve energy efficiency by 10% by 2015
Air	Reduce air emissions by 10% by 2015

Our approach will be to assign the right resources at the right time. Projects and initiatives supporting the goals have and will continue to be identified. Project execution and operational excellence are key to closing gaps and achieving the goals.

* The base year for the planned improvements is 2007. The goals were established in 2009, and our business units address them in the annual business and capital allocation planning cycles.

** Suncor has developed a 2015 energy efficiency performance target and a complementary longer term energy intensity goal.

Water

Water affects every aspect of Suncor's business, and we focus on continuously raising the bar on our water performance, management and quality control practices. As we pursue our goal of reducing freshwater consumption by 12 per cent by 2015 (as compared to 2007), all our operations are realizing opportunities to use less water. We are paying particular attention to our oil sands mining operations, which represent Suncor's biggest draw on freshwater resources.

A key benchmark – particularly during periods of production growth – is the amount of water consumed for each barrel of oil produced. We continue to make significant progress in this area.

In 2012, our oil sands mining operation consumed 2.06 cubic metres of river water and groundwater to produce one cubic metre of oil – a 10.4 per cent reduction in water consumption intensity since 2007.



We expect to make further incremental improvements as we implement our Oil Sands Water Management Strategy. For example, once our new wastewater treatment plant is in operation – commissioning is now planned for 2014 – we expect we will have reduced our river water withdrawal by about 65 per cent compared to 2007.

In 2012 and 2013, Suncor took significant steps to implement our water strategy, which reduces the amount of water stored in tailings, returns water to the river, and further increases our recycling capacity.

The first major phase of our water strategy, formally commissioned in February 2013, involves sending treated tailings water from our oil sands base plant to Suncor's Firebag in situ facility for reuse as makeup water.

The result: about 10,000 cubic metres per day of tailings water is being used as in situ makeup water instead of being stored in tailings ponds. An equivalent amount of water will be recycled at our mining site, reducing the amount of fresh water we need to withdraw from the Athabasca River.

Reusing tailings water in the in situ extraction process is new not only to Suncor, but also to the entire industry. Reusing the water from the end of one project's cycle to the ongoing work of another part of the business serves to improve Suncor's water management practices over a larger geographical area.

continued on page 14

On the web:

More on our environmental performance goals. About Suncor/ Performance goals and progress. suncor.com/sustainability



2013 environment progress report

Focus area

2012–13 Goals

<p>Environment Environmental Excellence Plan (EEP)</p>	<ul style="list-style-type: none"> · Continue EEP development and implementation. · Execute projects identified to support environmental performance goals. · Begin process to develop next round of environmental performance goals.
<p>Water</p>	<ul style="list-style-type: none"> · Develop an oil sands regional water strategy implementation plan. · Environmental Information Management System (EIMS) implementation continuing, with all sites slated for water module completion by end of Q1 2013.
<p>Land and biodiversity</p>	<ul style="list-style-type: none"> · Advance reclamation techniques at oil sands mining operations. These include contouring the land for a natural appearance, providing suitable drainage and minimizing erosion by planting native trees, grasses and shrubs.
<p>Energy efficiency and greenhouse gas emissions</p>	<ul style="list-style-type: none"> · Implement energy management system at Montreal and Edmonton refineries. · Revisit future growth project designs to evaluate greenhouse gas (GHG) reduction opportunities. · Advance work on GHG abatement technologies through Carbon Management Canada (CMC), Integrated CO₂ Network (ICO₂N), CO₂ Capture Project (CCP) and other groups. · Schedule the assessment of using EIMS for GHG forecasting.
<p>Air</p>	<ul style="list-style-type: none"> · EIMS implementation continuing with remaining sites slated for completion by Q1 2013. · Continue to invest in equipment and technology to achieve emissions reductions. · Continue to improve air emissions inventory.
<p>Renewable energy</p>	<ul style="list-style-type: none"> · Evaluate new opportunities to build renewables portfolio, with projects in various states of development. · Evaluate opportunities to further optimize St. Clair ethanol plant.
<p>Tailings</p>	<ul style="list-style-type: none"> · Continue work toward fluid tailings reduction targets, and advance tailings management through collaboration with groups like Oil Sands Tailings Consortium (OSTC), Oil Sands Leadership Initiative (OSLI) and COSIA.



On the web:

Further details on our progress. About Suncor/Performance goals and progress/2013 Environment and social progress report. suncor.com/sustainability

These progress reports provide details on Suncor's environmental performance. For detailed information about Suncor's economic performance, visit suncor.com and read our 2012 Annual Report.

2012 – 13 Results

- EEP implementation and improvement continued.
- Environmental Excellence Fund (EEF) usage increased
- Internal communication regarding gap closure.
- Preparation and foundational work for sustainability goal development began.

- Completed implementation of oil sands regional water strategy.
- EIMS implementation continues through 2013 including water data configuration.

Land:

- Major progress made on fen construction – a bog-like wetland found in the boreal forest.
- Harvest and propagation of new species for fen reclamation area.
- Initiated research of swamp reclamation methods.
- Largest tree plant ever undertaken at Suncor's oil sands operation (294 hectares, 695,000 seedlings).

Biodiversity:

- Canada lynx detected by remote cameras for first time in reclamation areas.
- Significant decrease in black bear activity.
- Detected Canadian toads in Wapisiw Lookout wetland.

- Energy management review completed at both facilities during 2012.
- Review of growth project designs completed, and selected recommendations put forward for detailed assessment.
- Suncor continues to leverage external organizations through its technology and innovation strategy.
- EIMS implementation advanced during 2012.
- GHG forecasting process strengthened to provide enhanced risk modelling.

- Completed annual Air Pollutant and GHG Reporting Guide.
- EIMS implementation for the remaining sites slated for completion by Q4 2013.

- Submitted Renewable Energy Applications for Suncor's Cedar Point II and Adelaide Wind Power projects to the Ontario Ministry of Environment.
- Submitted a regulatory application for Suncor's Hand Hills Wind Power Project to the Alberta Utilities Commission.
- Achieved a production milestone of 1.5 billion litres of ethanol in 2012 from Suncor's St. Clair ethanol facility.

- Captured more mature fine tailings (MFT) generating solids than mined via a combination of beach capture and TRO™.
- Completed the Tailings Technology Roadmap and Action Plan Report – a joint industry/government study.

2013 – 14 Goals

- Continue work to develop next round of sustainability goals.
- Continue planning and execution of 2015 goal gap closure (focus on energy and air goals) and strive to continue improvements in water and land goal areas.

- Achieve further reductions by designing more systems to treat and recycle tailings water from operations.
- Reduce the net effect of water use in the oil sands region by sharing lessons learned with industry peers through COSIA.
- Finish implementing EIMS water configuration by end of 2013.
- Continue EIMS implementation for sustainability reporting in Q1 2014.

- Continue to invest in technologies and people to allow further development and implementation of reclamation techniques.
- Participate in COSIA Land Environmental Priority Area (EPA) projects that address key issues of footprint reduction, acceleration of reclamation and preservation of biodiversity.

- Energy management review to be completed for extraction, energy utilities and upgrading at base plant.
- Gap assessment of oil sands facility GHG measurement and reporting to meet anticipated higher regulatory stringency.
- Implement fuel gas equalization line at Commerce City refinery to optimize energy balance.

- Continue EIMS implementation for sustainability reporting in Q1 2014.
- EIMS in sustainment state for all sites for air emissions.
- Continue to invest in equipment and technology to achieve emissions reductions.
- Continue to improve air emissions inventory.

- Progress the Renewable Energy Applications for Suncor's Cedar Point II and Adelaide Wind Power projects and secure approval to bring the projects online in 2015.
- Continue to review and develop Suncor's renewable energy portfolio. This includes progressing the Alberta Hand Hills application and evaluation of ongoing renewable energy opportunities, including evaluation of a pilot scale battery storage opportunity.
- Continue to evaluate opportunities for improved product yields and efficiencies at St. Clair ethanol plant.

- Continue work toward fluid tailings reduction targets, and advance tailings management through collaboration with groups like COSIA.



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Suncor's innovative \$150 million wastewater treatment facility represents the second phase of our oil sands water strategy. The facility will take wastewater from our upgrading pond and remove solids and oils, so we can reuse that water in our operations or return it to the environment. The plant is expected to recycle 8,000 gallons of water per minute and could offset the need for river water by an equivalent amount.

This project, which is also an industry first, would, if successful, virtually eliminate wastewater flow from Upgrading to Suncor's tailings ponds – and contribute significantly to our long-term tailings pond reclamation projects.

The next phase of our strategy is to achieve further reductions by designing more systems to treat and recycle tailings water from operations so it is suitable to use as makeup water. This plan is being put into action, as we are currently modifying one of our boilerfeed treatment plants to take tailings water.



Suncor continues to closely monitor its operations to ensure we meet or exceed existing and future water quality standards and environmental monitoring requirements. We strongly support a recent joint move by the Alberta and Canadian governments to strengthen environmental monitoring of the oil sands region.

Air

Suncor is committed to managing air quality near our operations and is working on achieving a 10 per cent absolute reduction in air emissions (nitrogen oxides, sulphur oxides and volatile organic compounds) by 2015 as compared to 2007.

Overall, total reported air emissions in 2012 decreased by 8.7 per cent compared to 2011 levels. This was primarily due to a significant reduction in key emissions from our Refining & Marketing business unit. Emissions were also reduced as a result of:

- › an extended turnaround at the Suncor-operated Terra Nova floating production, storage and offloading (FPSO) vessel. The turnaround included regular maintenance and upgrades.
- › improved performance from our Oil Sands and Exploration & Production business units.

Land and biodiversity

As Suncor strives to be a trusted steward of natural resources, we are working to accelerate the rate at which we reclaim lands disturbed by our operations. We also continue to work collaboratively with industry peers as well as multi-stakeholder organizations to protect and restore sensitive lands and habitats across the boreal region – home to Canada's oil sands.

Since oil sands production began in 1967, Suncor has disturbed 21,303 hectares of land through our mining operations. As of the end of 2012, we had reclaimed* 1,542 hectares, or about seven per cent of the total. Our goal is to return all disturbed lands to as close to a natural state as possible.

In 2012, Suncor completed several years and more than \$1.3 billion of work to implement the TRO™ tailings management process in our oil sands mining operations. In the years ahead, we expect this process to reduce our tailings inventory, eliminate the need for future storage ponds and significantly accelerate the rate of mine reclamation. Suncor is targeting a 100 per cent increase in land area reclaimed* by 2015, as compared to 2007.

A key part of restoring disturbed lands is planting and nurturing trees and shrubs that mature into a healthy, self-sustaining ecosystem. By the end of 2012, Suncor had planted nearly six million trees on our oil sands site – including 900,000 trees in the previous 12 months alone.

As a member of Canada's Oil Sands Innovation Alliance (COSIA), Suncor is participating in projects to reduce forest fragmentation caused by industrial activity, and improve wildlife habitat. Among them is the Faster Forests Program, which in 2012 saw 600,000 trees and shrubs strategically planted in disturbed areas across the oil sands region.

* Reclaimed lands have not been certified as such by government regulators. For further details on the definition of reclaimed, see the legal notice at the end of this publication.

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On the web:

More details on Suncor's environmental performance, including water strategies, our TRO™ process, new reclamation advances and collaborative efforts to protect biodiversity: Environment.suncor.com/sustainability



An integrated approach to climate change

Suncor believes addressing the climate change challenge is both a corporate and a societal responsibility. We work within our plant gates to improve energy efficiency, advance renewable energy projects, and research and develop new technologies to better manage our greenhouse gas (GHG) emissions.



An integrated approach to climate change

Increasingly, Suncor collaborates with industry peers, governments, researchers, academics and other stakeholders on emissions-reducing technologies and opportunities. We understand that making meaningful progress on climate change involves fundamental choices about how societies produce, use and distribute energy.

Suncor's climate change action plan

Suncor recognized early on that climate change would be an important issue for our company and our stakeholders. That's why we introduced a seven-point action plan in 1997. Guided by this plan, we've made progress in reducing the overall carbon intensity of our operations. We've also invested in renewable energy and in research on potential long-term solutions to deal with increases in absolute GHG emissions associated with industry growth.

A snapshot of our seven-point plan in 2012:

1. Manage our own emissions:

Both absolute GHG emissions and emissions intensity increased in 2012, mainly due to significant new production from the ramp up of Firebag 3 and the commissioning of Firebag 4. When an in situ plant is commissioned, steaming occurs for a period of time before full oil production rates are reached. As a result, initial emissions intensity can be quite high. As production ramps up, it is expected that intensity should decline.

2. Develop renewable sources of energy:

Suncor operates Canada's largest ethanol production plant, and we are currently involved in six wind farm operations. Subject to regulatory approval, we have two additional wind power projects expected to commence in 2015.



3. Invest in environmental and economic research:

Suncor continues to research and pilot alternative bitumen extraction technologies that could significantly reduce the GHG emissions intensity of oil sands production. We also continued to work through organizations like Carbon Management Canada and the CO₂ Capture Project to advance other potential long-term climate change solutions, including carbon capture and storage.

4. Use domestic and international offsets:

Suncor's wind farms continued to generate offset credits, and we remained involved in a number of emissions trading initiatives.

5. Collaborate on policy development:

Suncor consulted with provincial, state and federal governments on energy and climate change policy.

6. Educate employees and the public:

Suncor supported organizations like Pollution Probe and The Pembina Institute to help advance energy literacy.

7. Measure and report our progress:

Suncor files annually on our GHG emissions to provincial, state and federal authorities. We report our overall progress on managing GHG emissions to stakeholders through our annual Report on Sustainability and the Carbon Disclosure Project.

Public policy participation

As Canada's largest energy company – and one of the largest in North America – Suncor is an active participant in public policy discussions on energy and the environment.

In advocating on energy policy issues, Suncor seeks to balance our role in providing a safe, affordable and secure supply of energy with the need to produce and use energy in a more sustainable manner – as well as remaining economically competitive as an industry and recognizing our fiduciary duty to our shareholders. We strive to be a responsible partner in the energy system, and we seek out opportunities to promote constructive dialogue on transforming that energy system and improving sustainability.

2015

Two additional wind power projects expected to commence

Greenhouse gas emissions: the path forward

We believe strongly in the promise of technology and innovation to mitigate the environmental impact of both producing and using fossil fuel-based energy, as well as enabling alternative energy. Suncor also supports initiatives and policies to promote energy efficiency and conservation – key leverage points for reducing energy-related GHG emissions.

Suncor continues to be an advocate of a national sustainable energy strategy for Canada. As a nation, we should be assessing our probable energy requirements 10, 20 and even 50 years down the road, and determining the mix of proven and potential energy resources that can best meet those requirements.

Targets and goals for reducing GHG emissions would be an integral part of such a strategy – and it would need to look at how energy is both produced and used. Improved vehicle efficiency, better building construction standards and more mass transit could all be key elements. A sound national energy strategy would also serve as a national climate change strategy.

Suncor continued to be a participant in a consultation process with Environment Canada on sector-specific climate change regulation. We believe setting a carbon price through a technology fund is a key mechanism to promote the long-term competitiveness of Canada's energy industry.



Canada's oil sands industry remains under intense scrutiny over its contribution to greenhouse gas (GHG) emissions. While the industry currently accounts for about 6.5 per cent of all Canadian GHG emissions, it is also the single fastest growing source of absolute emissions due to expanding production. It's a huge challenge – not just for companies like Suncor, but also for the sustainability of a Canadian economy so closely linked to the production, consumption and export of non-renewable energy products.

We've long believed our industry's greatest single opportunity for reducing GHG emissions intensity, and ultimately bending the curve on absolute emissions growth, lies in harnessing private sector innovation and technological expertise. But what are the best avenues for doing so, and how soon are we likely to see tangible progress?

Those were among the key questions addressed by the 2012 report, *A Greenhouse Gas Reduction Roadmap for Oil Sands*, prepared for the Climate Change Emissions Management Corporation (CCEMC) by Suncor Energy and Jacobs Consultancy. The primary

objective: to identify, assess, and quantify energy efficiency and GHG reduction opportunities for commercial oil sands operations and determine their potential impact on the GHG intensity of fuels refined from oil sands-derived bitumen.

How were GHG impacts evaluated?

The study used Suncor's in situ, mining, extraction and upgrading facilities as a basis for evaluation. A life cycle analysis (LCA) was used to determine how leading improvement ideas would impact GHG emissions on a 'wells-to-wheels' basis. LCA tells us that approximately 75 per cent to 80 per cent of the GHG emissions associated with transportation fuels occur when consumers use the fuel to run their vehicles – the 'tanks-to-wheels' part of the equation. The remaining 20 per cent to 25 per cent of emissions occur in the 'wells-to-tank' production and processing phase.

Companies like Suncor have the opportunity to directly impact the one-quarter of GHG emissions that occur from wells-to-tank. But how best to do so? The Reduction Roadmap suggests a possible path forward.

On the web:

More details on all of the above at Environment/Climate Change.suncor.com/sustainability



Greenhouse gas emissions: the path forward

What did we learn?

When it comes to improving energy efficiency, companies like Suncor have an advantage due to our use of cogeneration of electricity and steam at all our oil sands facilities. These facilities can reduce wells-to-tank GHG intensity by up to five per cent.

The report *A Greenhouse Gas Reduction Roadmap for Oil Sands** found that shorter term (one to five years) energy efficiency initiatives could deliver GHG emissions reductions of two per cent to nine per cent, depending on the facility. But achieving large-scale reductions (ranging from 10 per cent to 30 per cent) could take longer (10 years or more) and will require significant capital investment in new technologies.

The fact is there are no short-term solutions that deliver large-scale GHG reductions. And there are no single solutions that apply to all facilities. However, there are a wide range of technologies and innovations that show promise.



What is Suncor's path forward?

The Reduction Roadmap suggests Suncor is on the right track when it comes to our GHG emissions management strategy. In the immediate term, we are working to improve energy efficiency – understanding that, for every one per cent reduction in energy use, we will achieve a roughly one per cent reduction in GHG emissions. We are also investing in longer term technologies that hold the potential to dramatically reduce the GHG intensity of our business – and start to bend the curve on absolute emissions.

Suncor is implementing an Energy Management System (EMS) across its operations, to be completed by the end of 2014. We are finding that EMS typically results in two per cent to three per cent improvements in energy/GHG intensity through better operational control and identifies an additional five per cent to 10 per cent of possible improvements through capital investments.

We are also taking a leading role in developing a number of promising technologies. For example, in 2013, a pilot plant at Suncor's Dover lease will field test N-Solv™, owned by N-Solv Corporation, an in situ extraction technology that uses propane or butane to produce a condensed solvent to provide the heat required for bitumen recovery in the way steam currently does. In addition to the prospect of waterless extraction, the N-Solv™ process is expected to use 85 per cent less energy, so the impact on GHG emissions could be significant.

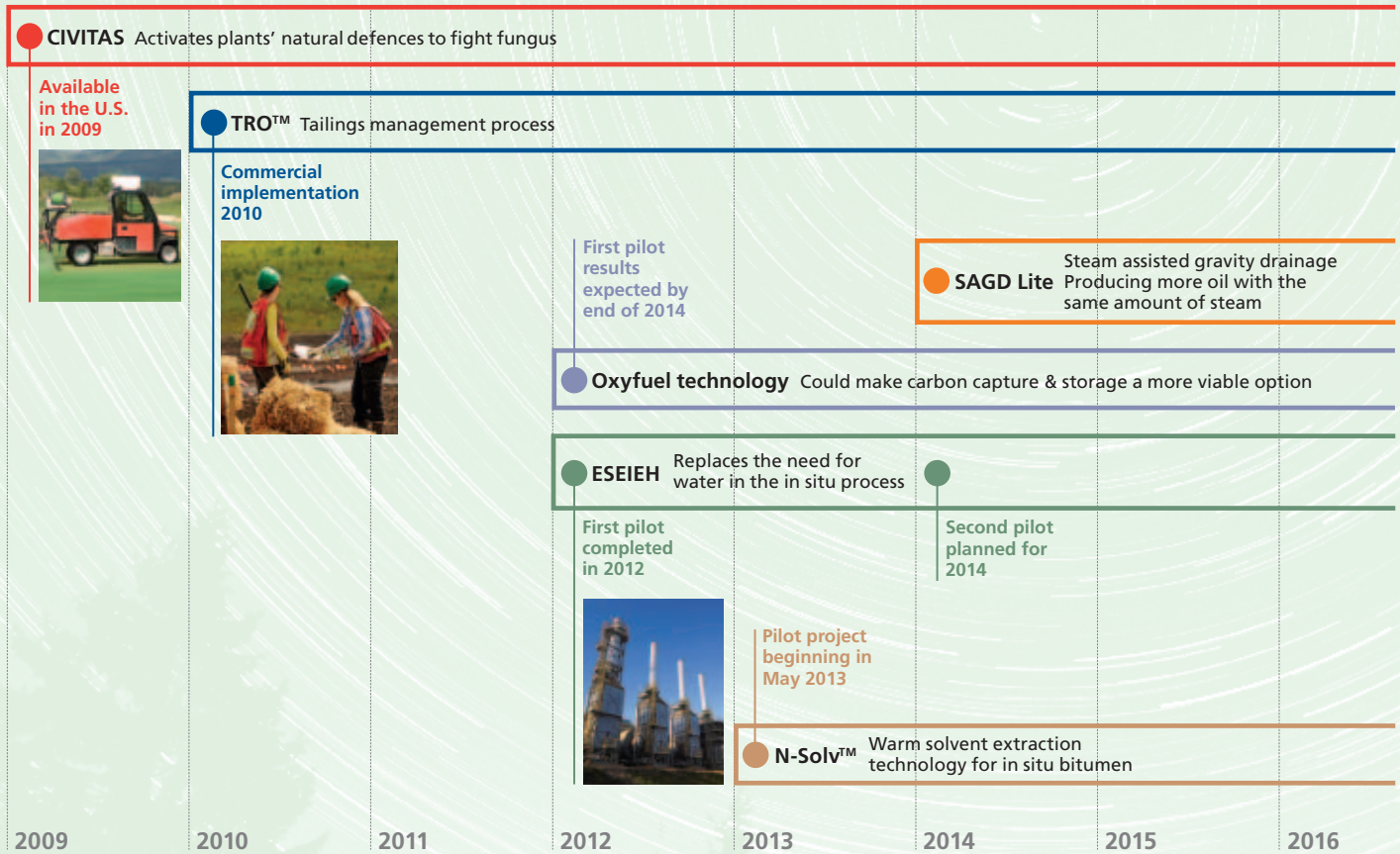
Suncor is also involved in a collaborative effort to investigate the feasibility of using oxyfuel combustion as an alternative to existing post-combustion carbon capture technologies. This technology holds the potential of avoiding and eliminating much of the CO₂ emissions from in situ production, making crude derived from the oil sands very competitive on an LCA basis to conventional crudes.

While commercial application of such technologies could be many years away, there are smaller scale innovations that could provide more immediate benefits. For example, Suncor is currently piloting a 'soap-like' additive at its in situ operations that, when combined in small volumes with steam, is expected to significantly lower our steam/oil ratio (SOR), allowing more oil production with less steam. The program could deliver more efficient oil recovery with less energy and water use.

* The report was prepared for the <http://ccemc.ca/> Climate Change Emissions Management Corporation (CCEMC) by Suncor Energy and <http://www.jacobsconsultancy.com/> Jacobs Consultancy. More information can be found on this in GHG Emissions: The Path Forward (web version).

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Suncor's technology development strategy



Focused on investing in incremental and game-changing technologies.

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Research and development of technologies to better manage greenhouse gas (GHG) emissions is part of Suncor's corporate-wide strategy to advance technology and innovation.

Technology is fundamental to how we do business. In 2013, Suncor has budgeted \$175 million for research and development spending. Our investments in incremental and game-changing technologies target higher production, enhanced profitability and lower environmental impacts.

Suncor's company-wide technology and innovation strategy is focused in three key areas:

- › continuous improvement – applying known techniques to existing issues
- › operations technology – applying new technologies to existing assets and issues
- › growth technology – applying new technologies in new assets, processes and businesses.

In some cases, Suncor aggressively leads the research and development of new technologies. In others, we collaborate through consortiums or third parties. We also monitor technologies being developed by external parties to determine if, and when, it makes sense to adapt them for our business.

The common thread is an emphasis on achieving tangible results. "When it comes to technology, there is no shortage of people with good ideas," says Gary Bunio, Suncor's general manager, technology development. "But there can be a gaping divide between conception and implementation. Our number 1 job is to find the technologies that can be applied to our real-world challenges and then to do the technology development work required to reduce the resource intensity necessary to deliver our products to market."



On the web:

Details on Suncor's technology journey.
suncor.com/sustainability



2012 Greenhouse gas performance

Our Report on Sustainability provides an annual accounting of Suncor's greenhouse gas (GHG) emissions, both in terms of absolute emissions and emissions intensity. The latter is calculated by using full-year net production and the carbon dioxide equivalent (CO₂e) emitted.

Production

As reported in our 2012 Annual Report, total upstream production averaged 549,100 barrels of oil equivalent per day (boe/d) in 2012, compared to 546,000 boe/d in 2011. Oil Sands production (excluding Syncrude) averaged 324,800 barrels per day in 2012.

Production numbers in Suncor's Annual Report are for upstream volumes only, and include production from non-operated assets. This differs from other production numbers used in Suncor's Report on Sustainability, which include only operated facilities, but also includes downstream throughput volumes of saleable products. For the purposes of our sustainability report, total production in 2012 was approximately 49.1 million cubic metres, compared to 48.8 million cubic metres in 2011.

Please note: the sum of the individual Suncor facilities production will not equal the reported net corporate production. Inter- and intra-business unit product transfers (hydrocarbon streams that pass through more than one Suncor facility) are removed from the corporate and business unit totals to give the net production. This is done to prevent double-counting of hydrocarbon streams sent for further processing within the company. Individual facility intensities are calculated based on net facility production; business unit intensities are calculated based on net facility production totals minus intra-business unit material transfers; the corporate GHG intensity is calculated based on net corporate production, which also removes inter-business unit transfers.

Absolute emissions and emissions intensity

Absolute full-year CO₂e emissions in 2012 totalled 20.8 million tonnes, compared to 18.8 million tonnes in 2011 – a 10.7 per cent or two-megatonne increase. This was mainly due to 1,470 kilotonnes of CO₂e emissions from the ramp up of Firebag 3, the commissioning of Firebag 4, and negligible increase from MacKay River. The remaining 0.7 megatonne increase was due to a methodology improvement at the Oil Sands base plant for fugitive emissions sources.

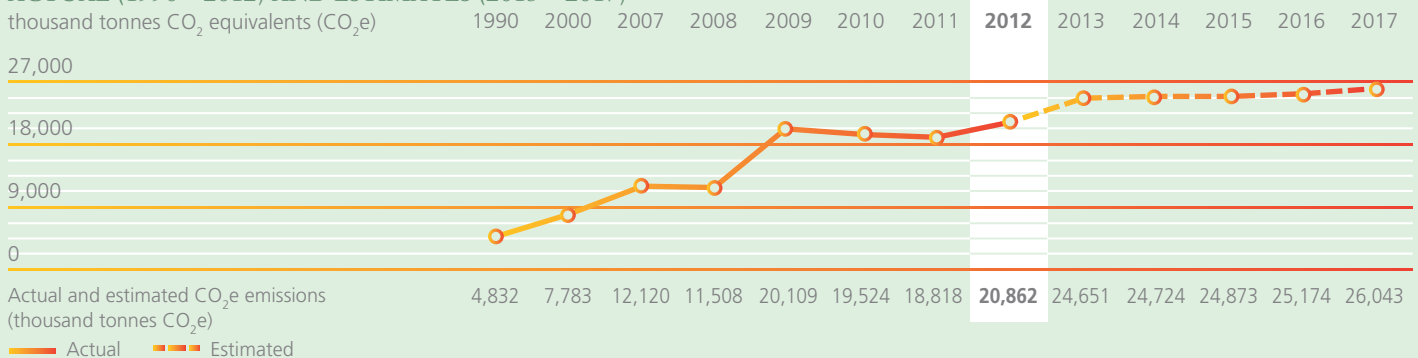
Using globally accepted GRI protocols, Suncor's reported corporate GHG emissions intensity increased by 10.2 per cent in 2012 from 2011. The increase was mainly due to the ramp up of Firebag 3 and commissioning of Firebag 4 (see details following). Intensity increases at our in situ operations were partially offset by intensity decreases at our North America Onshore facilities, Edmonton refinery, and the St. Clair ethanol plant.



SUNCOR ENERGY GHG EMISSIONS

ACTUAL (1990 – 2012) AND ESTIMATES (2013 – 2017) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾

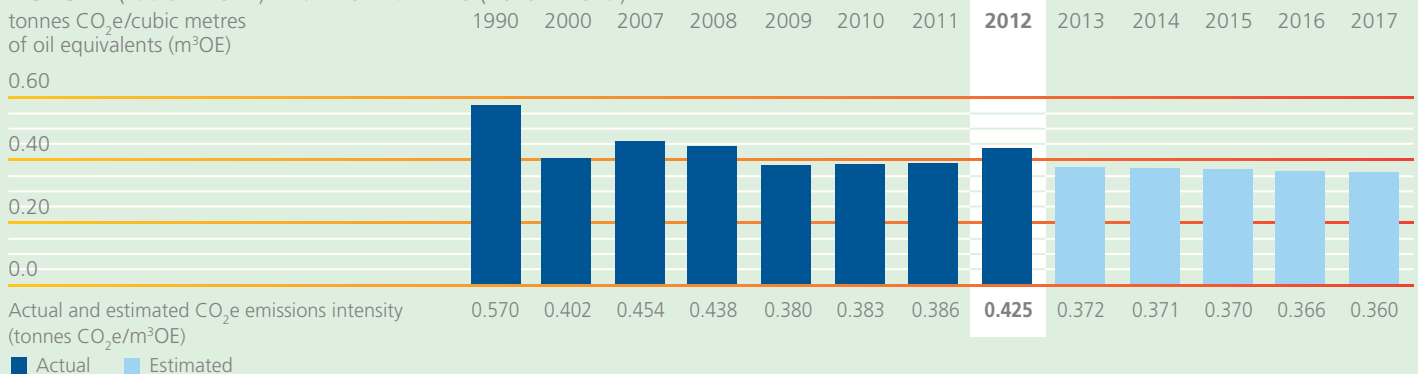
thousand tonnes CO₂e equivalents (CO₂e)



SUNCOR ENERGY GHG EMISSIONS INTENSITY

ACTUAL (1990 – 2012) AND ESTIMATES (2013 – 2017) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾

tonnes CO₂e/cubic metres of oil equivalents (m³OE)



(1) Estimates are based on current production forecasts and methodologies. The tables contain forward-looking estimates and users of this information are cautioned that the actual GHG emissions and emission intensity may vary materially from the estimates contained in the table.
 (2) Data from 1990 to 2000 does not include Suncor's U.S. operations.
 (3) Data here includes both direct and indirect CO₂e emissions, whereas the data included in the Alberta SGER reports are direct only. No credit is taken for GHG reductions due to cogen credits.
 (4) Data and estimates for 2007 forward include the St. Clair ethanol plant.
 (5) Data and estimates have changed from previous year's reports due to Oil Sands methodology changes that reflect the inclusion of biomass, a methodology change in the calculation of fugitive emissions using flux chamber data, and revisions to emissions factors and calculations based upon AESRD's request. These changes are also consistent with the methodology used for SGER Bill 3 reporting.
 (6) Data for 2009 and future years includes the full-year emissions for all Petro-Canada operated properties acquired in the 2009 merger, even though the merger did not close until Aug. 1, 2009. This is to allow for a consistent comparison to past and future years.
 For certain business units, combined Suncor / Petro-Canada data is provided for some years prior to 2009 but this is not reflected in the Suncor-wide rollup.

(7) The Business-As-Usual (BAU) line shown in previous years has been removed as it is no longer applicable to the merged company. A new BAU line may be added in the future once a new baseline has been developed.
 (8) The Suncor-wide emissions intensity uses Net Production, which is the sum of Net Facility Production minus all internal intra- and inter-BU product transfers, to remove any double counting. The sum of the BU intensities will therefore not equal the Suncor-wide intensity.
 (9) Suncor-wide emissions are inclusive of emissions from the pipeline from Oil Sands to the Edmonton Refinery, which are not included in individual business unit values. The emission total for this source for 2012 was 47,500 tonnes CO₂e.

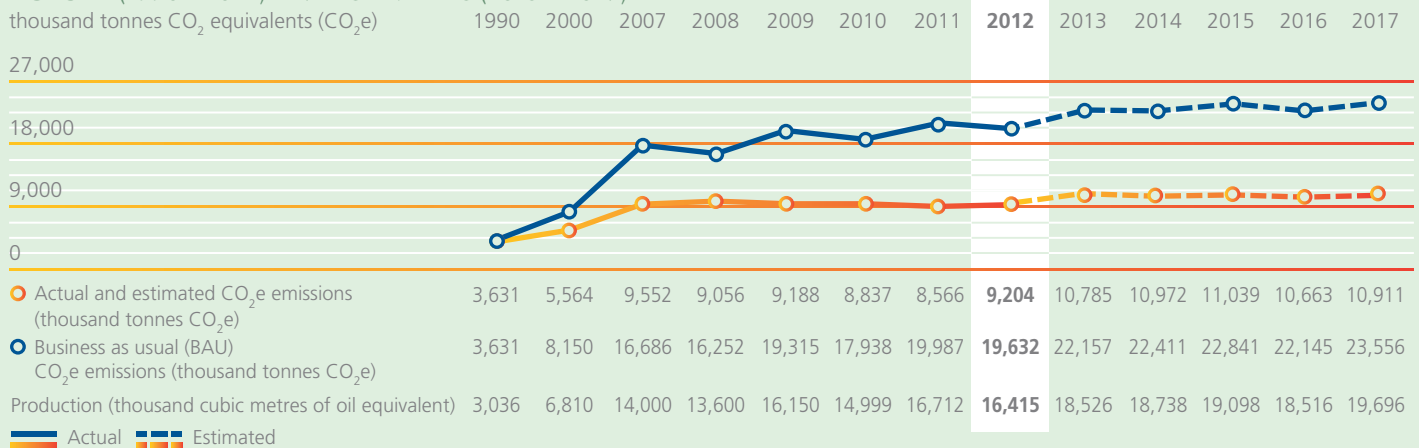
Definitions:

Direct GHG emissions: Emissions from sources that are owned or controlled by the reporting company.
Indirect GHG emissions: Emissions that are a consequence of the operations of the reporting company, but occur at sources owned or controlled by another company (e.g., purchased electricity, steam, or hydrogen).
Absolute (total) emissions: The total GHG emissions (direct and indirect emissions) of a facility or reporting company.
Emission intensity: Ratio that expresses GHG emissions per unit of physical activity or unit of economic value (e.g., here it is tonnes of CO₂e emissions per unit of net processed volume in cubic metres).

2012 Greenhouse gas performance

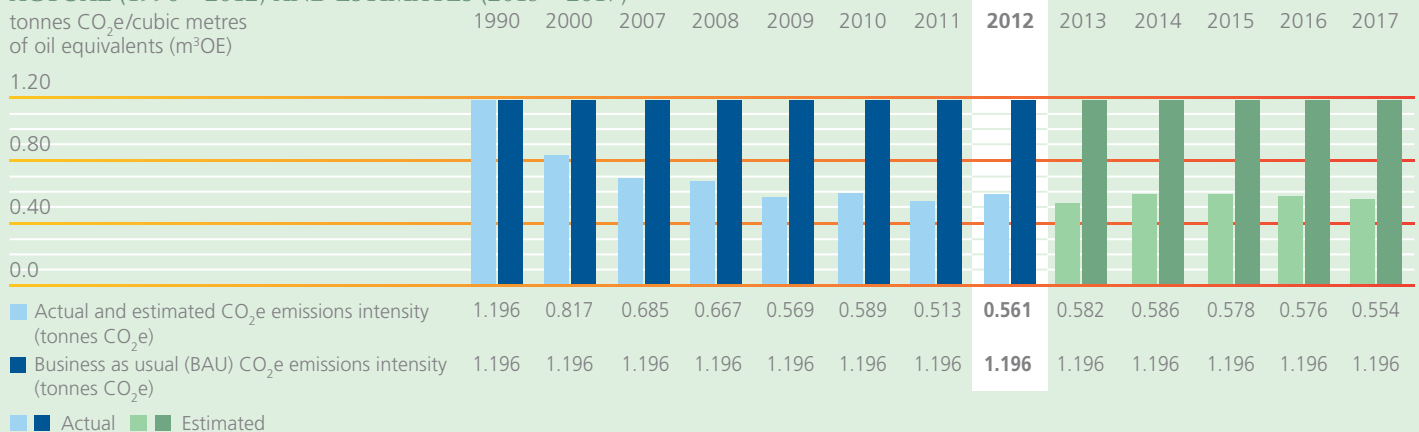
OIL SANDS GHG EMISSIONS

ACTUAL (1990 – 2012) AND ESTIMATES (2013 – 2017) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾



OIL SANDS GHG EMISSIONS INTENSITY

ACTUAL (1990 – 2012) AND ESTIMATES (2013 – 2017) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾



(1) Estimates are based on current production forecast and methodologies. The tables contain forward-looking estimates and users of this information are cautioned that the actual GHG emissions and emission intensity may vary materially from the estimates contained in the table.

(2) Data here includes both direct and indirect CO₂e emissions, whereas the data included in the Alberta SGER report is direct only. No credit is taken for GHG reductions due to cogen credits.

(3) Data and estimates have changed from previous year's report due to Oil Sands methodology changes that reflect the inclusion of biomass, a methodology change in the calculation of fugitive emissions using flux chamber data, and revisions to emission factors and calculation methodologies based upon AESRD's request. These changes are also consistent with the methodology used for SGER Bill 3 reporting.

(4) Historical Environment data for Oil Sands from 2005 to 2008 includes our Firebag in situ operation, where appropriate, as well as our mining operations. In 2009 In Situ (Firebag and MacKay River) began reporting as its own business unit. Data for 2009 and forwards includes only Oil Sands base plant mining / extraction / upgrading and Poplar Creek cogen operations. The Poplar Creek cogen is owned and operated by a third party but is part of the Suncor operating agreement and air licence, and therefore all cogen emissions count toward Oil Sands total direct emissions.

(5) The GHG volumes from 2009 have been restated due to a change in hydrogen plant allocation and diesel emission methodology.



Oil Sands

Absolute emissions at Suncor's mineable oil sands operations grew by 8.1 per cent in 2012, and emissions intensity increased by 10.1 per cent compared to 2011.

Oil Sands absolute emissions and emissions intensity both increased in 2012. This was due to reliability challenges that led to increased flaring and also further improvements made to our Alberta Environment and Sustainable Resource Development (AESRD) approved measurement and reporting methodology.

In Situ

Overall absolute emissions at our in situ oil sands operations increased by 56 per cent, compared to 2011, while emissions intensity increased by 6.1 per cent. The increases were due to the ramp of Firebag 3 and the commissioning of Firebag 4, which together resulted in a 75 per cent increase in production.

The rise in absolute emissions reflects added steam generation required for increased production. The rise in emissions intensity is due to the fact that, during the initial months of a new in situ plant, significant steaming is required to condition the 'cold' reservoir, while production rates are initially limited. As production ramps up, it is expected that emissions intensity should decline.

MacKay River absolute emissions and emissions intensity increased slightly, mainly due to the addition of new wells still in the preliminary steaming stage.

International & Offshore

Terra Nova emissions were essentially unchanged over 2012, but production was lower due to natural reservoir declines and 27 weeks of planned downtime for maintenance. As a result, the emissions intensity per cubic metre of oil increased by 29 per cent. As oilfields mature, the total amount of fluid produced is often roughly stable, but the water fraction increases; oil production decreases, but the equipment needed to move the total fluid still has to work as hard as ever to accommodate the extra water. Terra Nova is the only offshore property under Suncor's direct operational control.

North America Onshore

North America Onshore* emissions dropped mainly due to asset sales of older properties, and improved performance at the Hanlan Robb gas plant. Absolute emissions dropped by 3.9 per cent and intensity improved 8.3 per cent over the previous year.

* In April 2013, Suncor announced an agreement to sell the conventional portion of its natural gas business in Western Canada. Excluded from the sale are the majority of Suncor's unconventional natural gas properties in British Columbia and the company's Wilson Creek, Alta. unconventional oil assets.

Refining & Marketing

Emissions in 2012 at our R&M facilities increased by two per cent compared to 2011, while intensity decreased by 1.5 per cent. The intensity decrease was primarily due to record refinery utilization and an increase in the Edmonton refinery's nameplate capacity.

On the web:

For more information on Suncor's GHG performance, see our web report at Environment/Climate Change.suncor.com/sustainability



Social performance

Suncor strives to be a responsible corporate citizen. That includes ensuring workplace safety, respecting human rights and striving to create shared value through community investment, and partnerships with our Aboriginal neighbours.





Safety

Suncor ranks safety as our top priority. We believe no job is too urgent or routine that it cannot be done safely. Our guiding value: Do it safely or don't do it. Suncor seeks to eliminate all workplace incidents – a goal summed up in the title of our Journey to Zero safety program.

We continue to make progress on that journey. The lost time injury frequency among employees and contractors declined from a rate of 0.06 in 2011 to a rate of 0.05 in 2012, an improvement of two per cent. The recordable injury frequency rate declined, from 0.73 in 2011 to 0.59 in 2012, an improvement of 19 per cent.

Suncor continues to roll out a series of major training programs for employees, contractors and leaders to reinforce the objectives of our Journey to Zero program. "We are trying to influence behaviour and get into people's hearts and minds," explains Derek Mullaly, manager of central safety services, EHS. "Even with the best procedures in the world, if your heart is not in doing the task safely, there is still the potential to put yourself and others at risk."

Our stakeholders

Suncor seeks to understand and respond to changing stakeholder expectations. In all our operating areas, we strive to develop and maintain positive and meaningful relationships with our stakeholders based on respect, trust, transparency and mutual benefit.

In 2012 and going forward, we are attempting to raise the bar on stakeholder engagement through several initiatives, including a new community investment strategy to support sustainable communities and a renewed focus on working collaboratively with Aboriginal businesses and communities. We are also working to embed a clear and consistent approach to human rights policies and practices across our operations.

Community investment

Suncor's core purpose is to create energy for a better world; our commitment to community investment is one of the ways we are attempting to fulfil that mission.

In 2012, Suncor and the company's charitable organization, the Suncor Energy Foundation (SEF), began to implement a bold new approach to community investment. The focus of our strategy is to target investments in ways intended to help communities near Suncor's operations grow, thrive and become sustainable.

"This new approach is allowing us to work in partnership with communities to make a real difference on some of the big issues that impact both society and Suncor."

Lori Gammell,
manager of the SEF

19%

Reduction in injury frequency rate

\$1.7M

Support for excellence in indigenous education

600

Charitable & non-profit organizations supported by employees

Social performance



Suncor and the Suncor Energy Foundation focus investments in five key areas to support integrated initiatives that:

- › strengthen communities by cultivating community leaders
- › support building skills and knowledge for the current and future workforce
- › foster the ability to think creatively through inspiring innovation
- › build employee and volunteer capability by engaging citizens in community activities
- › engage employees and communities in collaborating for the energy future.

Collaboration is at the heart of our new approach. Working collaboratively helps us find and realize possibilities together for pursuing long-term solutions that can positively affect communities, future generations and our company. It will also ensure we continue to understand each other's interests, issues, needs and concerns.

Some examples of this new approach in action:

- › Social Prosperity Wood Buffalo is a five-year partnership between stakeholders in the Wood Buffalo region, the SEF and the University of Waterloo.

The goal is to improve the quality of life in rapidly growing Wood Buffalo through community-driven strategies to strengthen the non-profit sector.

- › Suncor is targeting investment in institutions like Wood Buffalo's Keyano College and Sarnia, Ont.'s Lambton College that are helping graduate the next generation of skilled workers our industry requires.
- › We are collaborating with independent organizations, including the Walrus Foundation and the Pembina Institute, to help generate a public dialogue on Canada's energy future.

"This new approach is allowing us to work in partnership with communities to make a real difference on some of the big issues that impact both society and Suncor," says Lori Gammell, manager of the SEF and community investment. "In this way, our investments have the potential to be truly transformative."

We expect it could take upwards of five years to fully shift the focus of our community investments in this new direction. All existing commitments to charitable and not-for-profit groups will be honoured; however, renewal requests and new funding requests will be assessed to ensure they align with the five priority areas described above.



\$2B

Spent on goods and services
from Aboriginal businesses

Aboriginal relations

Many of Suncor's operations are located on or near the traditional lands of Aboriginal Peoples. We know our operations have an impact on the environment and the communities where we operate, and we work with our Aboriginal stakeholders to understand and mitigate those impacts. Suncor is also committed to finding ways to ensure Aboriginal businesses and communities share in the economic and social benefits of resource development.

Since 1992, Suncor has spent more than \$2 billion on goods and services from Aboriginal businesses – \$1 billion of that since 2009. But we recognize supporting Aboriginal businesses is about much more than our 'direct spend.' That's why, in 2012, we began implementing a new Aboriginal Economic Collaboration Strategy focused on four key objectives:

- › increasing procurement and commercial activities with established, capable and competitive Aboriginal businesses
- › becoming a leader in capability development with emerging Aboriginal businesses
- › investing Suncor resources in community-driven Aboriginal economic development
- › establishing strategic alliances with external organizations.

While there is much work to be done, we are making progress in each of those areas. For example, Suncor's Supply Chain Management process is being formalized to more rigorously identify Aboriginal vendors across Canada and to seek out contractors who, in turn, support Aboriginal businesses. By expanding the 'indirect spend' flowing to Aboriginal companies, we can have a much greater net impact.

Suncor is also making support of educational opportunities for Aboriginal youth a key community investment priority. It's the right thing to do – and, given our industry's growing need for skilled workers, it's also smart business.

"When I talk to our people about the work we do, it comes back to living up to Suncor's mission, vision and values," says Bonnie Veness, manager of stakeholder and Aboriginal relations. "We need to be all about strong community engagement, respect, and living up to our commitments. That's the best way to secure and retain our social licence to operate."

continued on page 30

2013 social progress report

Focus area	2012–13 Goals	2012–13 Results
Social Safety, health and security	<ul style="list-style-type: none"> · Seek to eliminate all workplace incidents. · Continue to implement, sustain Journey to Zero through networks, leading/lagging metrics and governance. 	<ul style="list-style-type: none"> · The lost time injury frequency among Suncor employees and contractors declined from a rate of 0.06 in 2011 to a rate of 0.05 in 2012 – an improvement of 2%. · The recordable injuries frequency rate also declined, from 0.73 in 2011 to 0.59 in 2012 – a 19% improvement.
Human rights and social risk	<ul style="list-style-type: none"> · Develop separate guidelines to address the challenges of implementing Suncor’s human rights policy in conflict-affected areas. 	<ul style="list-style-type: none"> · Human Rights implementation guidelines currently in development.
Stakeholder and Aboriginal relations	<ul style="list-style-type: none"> · Create formal grievance mechanism within Stakeholder Relations framework. · Continue to develop and refine an effective tool for assessing social risks. · Develop and launch Aboriginal training programs. · Develop Aboriginal employment strategy. · Develop an implementation plan and pilot the Aboriginal Economic Collaboration strategy. · Participate in the development of an end-to-end process for issues management. · Conduct stakeholder research. 	<ul style="list-style-type: none"> · Draft grievance mechanism completed. · Social risk assessment tool or principles applied to three projects in 2012. · Target for Aboriginal awareness training in 2012 was 80 people. We trained more than 200. · Aboriginal employment strategy currently in development. · Aboriginal economic collaboration strategy implementation piloted in seven business groups.
Community investment	<ul style="list-style-type: none"> · Continue implementation of the new community investment strategy in Suncor’s business units and key communities. · Strengthen communities by cultivating community leaders. · Support building skills and knowledge for the current and future workforce. · Foster the ability to think creatively by inspiring innovation. · Build employee and volunteer capability by engaging citizens in community activities. 	<ul style="list-style-type: none"> · Completed transition to new community investment strategy both internally and externally. · Partnered with four shared space initiatives. · Supported capacity building programs for more than 100 community and Aboriginal leaders. · Provided \$1.7 million to support excellence in indigenous education. · Established new partnerships with three Canadian business schools. · Entered into new partnerships with Skills Canada (National) and Skills Ontario to support skilled trades education.

These progress reports provide details on Suncor's social performance. For detailed information about Suncor's economic performance, visit suncor.com and read our 2012 Annual Report.

2013–14 Goals

- Integration of process safety standards across all of Suncor's major facilities is nearly complete, with more than half of these facilities in the final stages of the project.

- Seek to eliminate all workplace incidents.
- Continue to implement and sustain Journey to Zero through networks, leading/lagging metrics and governance.
- Focus on the sustainability of process safety practices over the long term.

- Aboriginal economic collaboration performance measurement framework completed.
- External issues management process at Suncor currently under review.
- Stakeholder research completed.

- Complete human rights guidelines and fully incorporate into Stakeholder Relations framework.

- Finalize complaint and grievance mechanism and develop rollout plan.
- Finalize social risk assessment tool.
- Target more than 250 people to receive Aboriginal awareness training.
- Aboriginal employment strategy completed and implementation plans drafted.
- Establish regular cross-enterprise reporting on Aboriginal economic collaboration.
- Develop and implement Aboriginal Procurement Guideline.
- Conduct survey of Suncor's Aboriginal business partners and communicate results.
- External issues management process finalized and rollout plan in place.
- Share results of stakeholder research and develop plans to address feedback.
- Complete third-party audit of our Aboriginal Relations program to receive Progressive Aboriginal Relations (PAR) certification through the Canadian Council for Aboriginal Business.

- Worked to inspire innovation through initiatives with EPIC YYC, Admitting Failure and the Framework Foundation.
- Raised more than \$6.8 million in support of United Way chapters across Canada and the U.S.
- Supported the community involvement of employees by providing \$928,000 in SunCares grants to more than 600 charitable and non-profit organizations.

- Complete long-term community investment plans for key operating communities.
- Work with key partners and community leaders to collaborate on long-term priorities.
- Celebrate the Suncor Energy Foundation's 15-year anniversary.
- Explore initiatives that engage Aboriginal youth.
- Find new way to encourage skilled trades as a first-choice career.
- Work with social innovation experts who are pushing boundaries and exploring possibilities for the future.
- Launch new priority funding area entitled Collaborating for the Energy Future.
- Increase employee participation in the SunCares program.
- Launch formalized employee volunteer program.

“With our operations resuming in Libya, Suncor is piloting new human rights and corporate social responsibility tools there in 2013.”



continued from page 27

Human rights

Suncor’s Human Rights Policy recognizes that we have a corporate responsibility to respect human rights and to ensure we are not complicit in human rights abuses. This responsibility applies to all our activities and to our business relationships with others.

Since adopting our Human Rights Policy in 2011, we have worked to embed it across our operations. In addition to informing our employee policies and practices, stakeholder engagement and security procedures, we are striving to integrate our approach to human rights in ways that make it fundamental to how we conduct our daily business activities.

Suncor is a member of the United Nations Global Compact (UNGC) and we are committed to advancing the UNGC’s 10 Principles with respect to human rights, labour, environment and anti-corruption. We also support the Voluntary Principles on Security and Human Rights.

In 2012, Suncor was one of seven major Canadian companies to form the ‘core group’ that’s leading efforts to establish a UNGC Local Network in Canada. Such local networks already exist in many other parts of the world and serve to facilitate dialogue, share best practices and put the Global Compact principles into practice.

With our operations resuming in Libya, Suncor is piloting new human rights and corporate social responsibility tools there in 2013. We believe if such tools can work in a conflict-affected nation, they will be robust enough to apply across our global operations.

In consultation with Libya’s National Oil Corporation (NOC), Suncor’s sustainability efforts are focused on education initiatives that meet a growing demand for trade qualifications within Libya. We have provided equipment funding, instructor training and curriculum development for use at the Petroleum Training and Qualifying Institute (PTQI) in Tripoli and the Swawia Technical Centre in Zawiyah. These institutes specialize in preparing high school students from across the country for work in Libya’s oil sector. Training is focused on developing skills that are integral in supporting the country’s oil and gas industry, including welding, instrumentation and electrical courses. The inaugural class of students graduated in June 2013.

Building on this education platform, Suncor has also been working with the NOC to develop a future Benghazi Petroleum Institute of Technology. As with PTQI, this facility will equip high school students with the skills to apprentice with a sponsoring company after graduation.

Our employees

Suncor’s 14,000-plus employees are an essential part of our sustainability journey. In 2012, we continued to recruit, retain and reward many of the best and brightest in our industry. Every day, our employees demonstrate their commitment and passion to do their jobs the right way and with integrity. They understand we are all connected and part of something bigger.

On the web:

More details on Suncor’s community investment, Aboriginal relations and human rights initiatives, as well as Suncor’s efforts to be an employer of choice. suncor.com/sustainability



7

Canadian companies lead efforts to establish a UNGC Local Network

14K+

Employees are an essential part of our sustainability journey

Economic performance

Suncor is committed to delivering profitable growth and strong shareholder value. At the same time, the success of our business also has a significant impact on the larger economy.



Economic performance

Suncor's investment in energy production and marketing creates well-paying jobs, promotes economic growth, and provides governments and suppliers with valuable revenues. Suncor's economic success also allows us to make investments in our renewable energy business and in new technologies that improve performance.

In all these ways, we continue to create shared value – for our shareholders and society at large.

Corporate performance

Suncor had another strong financial year in 2012. The company continued to demonstrate consistent cash flow, a strong balance sheet and an ability to fund growth from internal resources. In a year when oil sands price realizations lagged significantly against world crude oil prices, Suncor's integrated business model allowed us to capture 96 per cent of world pricing for our production.

Other developments:

- › Total upstream production averaged 549,100 barrels of oil equivalent per day (boe/d) in 2012, compared to 546,000 boe/d in 2011. Oil sands production (excluding Syncrude) averaged 324,800 barrels per day (bbls/d) in 2012, compared to 304,700 bbls/d in 2011.
- › The most significant production change was a 75 per cent growth in production at Suncor's Firebag in situ operations, due to the ramp up of Firebag Stage 3 and the commissioning of Firebag Stage 4 facilities. Annual bitumen production from Firebag increased to 104,000 bbls/d, from 59,500 bbls/d in 2011. However, Suncor's 2012 production was affected by upgrader reliability in Oil Sands as well as planned maintenance related to the Terra Nova offshore turnaround.
- › Suncor recorded net earnings of \$2.783 billion in 2012, compared to \$4.304 billion in 2011. Net earnings



were impacted by an after-tax impairment (net of reversals) of \$1.487 billion due to the writedown of the Voyageur upgrader and an after-tax impairment (net of reversals) and writeoff for assets in Syria of \$517 million.

- › Cash flow from operations* for 2012 was \$9.745 billion, compared to \$9.746 billion in 2011.

Contribution to economy

- › In 2012, royalties paid by Suncor totalled \$2.3 billion, including \$684 million directed to the Alberta government related to oil sands royalties. As well, Suncor paid income taxes of approximately \$1.5 billion to governments in Canada and internationally.
- › Capital spending in 2012 totalled \$7 billion, compared to \$6.9 billion in 2011.
- › Suncor spent \$11.2 billion on goods and services in 2012. A look at our supply chain spending shows we had more than 8,000 Canadian vendors spanning all 10 provinces as well as the Northwest Territories and the Yukon. The United States was our next biggest supplier (more than 2,000 vendors), although we also purchased from 50 other countries.

* Cash flow from operations is a Non-GAAP measure. Refer to the legal notice in this publication.

The range of goods and services is extensive and includes heavy equipment, drilling, construction, engineering, environmental services, chemicals, steel products, mining services, electrical, catering, pipes and marine services.

Growth plans

Suncor's \$7.3 billion capital spending plan for 2013 is balanced between growth and sustaining projects. Of the \$3.3 billion dedicated to growth, nearly half will fund Exploration & Production projects, including Hebron and the Golden Eagle area development. In Oil Sands, the company anticipates spending more than \$1.2 billion to support near-term production growth in both in situ and base plant, as well as funding longer term growth projects.

Suncor is committed to disciplined growth focused on investments that deliver strong returns for Suncor shareholders. We are also strongly focused on achieving improved reliability in our existing operations and further reducing cash operating costs.

On the web:

More on Suncor's economic performance, growth plans and our response to changing market dynamics. suncor.com/sustainability





How serious is this for Suncor?

Suncor's integrated business model gives us a competitive advantage, with 96 per cent of our upstream crude production capturing the premium global crude price in 2012. Currently, Suncor has good access to markets. But in the longer term, we want access to more diverse markets.

Given growing global energy demands, we also believe the responsible development of Canada's oil sands can make a positive contribution. Linking one of the world's largest sources of oil supply to some of the world's largest energy markets would benefit the Canadian economy, while also improving global energy security.

What is Suncor doing about it?

This is not a new issue for Suncor; we've been working on it proactively for nearly a decade. We've supported the development of pipeline infrastructure that would increase our access to markets and the flexibility of our operations – including new or expanded pipelines to the U.S. Gulf Coast, the West Coast of Canada and Eastern Canada. We also support the proposed reversal of Line 9 to move oil from Sarnia, Ont. to our refinery in Montreal, Que.

There is a comprehensive regulatory framework in place that governs the approval and operation of pipeline projects. The key is to ensure responsible development – and that is the role of the respective regulatory bodies.

Is moving oil by rail a potential solution?

There are pros and cons to this mode of transport. Rail can move crude faster than trucks and requires less fuel, which means fewer GHG emissions. Rail also has some advantages over pipelines, including faster delivery, no requirement for a diluent, and more flexibility in terms of market access.

Given the uncertainty over proposed pipeline projects, Suncor and other oil sands companies have been evaluating rail as one potential bridging solution. But as a long-term, large-scale solution, rail has its limitations. It would require significant capital investment in new tank cars, loading facilities and unloading terminals. From a sustainability perspective, the large-scale movement of oil by rail would be more costly and more carbon intensive than doing so by pipeline. Given the sizable capacity advantage of pipelines, and their overall safety and reliability record, expanded pipeline links appears to be the most efficient way to transport oil sands crude to market.



The market access challenge

Market access emerged as a high-profile economic challenge for Canadian energy producers – and Canadian governments – in 2012. And it's one that's expected to loom large through 2013 and beyond.

The boom in 'tight oil' production in the United States, along with increasingly bottlenecked inland pipeline capacity, resulted in higher-than-normal discounts for western Canadian heavy oil and synthetic crude.

At the same time, proposals for new or expanded pipelines that could take oil sands supply to important markets – including the refinery-laden U.S. Gulf Coast or to Canadian tidewater ports for potential export to Asia – faced significant public scrutiny. Pipeline opponents raised concerns ranging from the protection of local wetlands to broader objections about enabling North America's 'oil addiction' and the GHG footprint of oil sands crude.



Taking sustainability to the next level



“We can – and we must – do better in every aspect of our sustainability performance.”

Suncor’s sustainability journey began two decades ago, shortly after we became a widely held public company.

Understanding the need to respond to stakeholders’ expectations about our economic, social and environmental performance, we began to measure success according to a ‘triple bottom line’ that took account of all three factors when it comes to resource development.

Guided by our triple bottom line, Suncor strived to be an industry leader on the sustainability front. We made early and proactive moves on climate change and renewable energy, invested in new technologies, embraced the need for strong stakeholder engagement and community investment, and challenged ourselves to achieve ‘beyond compliance’ environmental performance goals.

While we take pride in past accomplishments, our focus remains firmly on the road ahead. We recognize our actions and performance are key concerns for our stakeholders and that meeting their expectations is how we earn and retain our social licence to operate and grow. We also know we can – and we must – do better in every aspect of our sustainability performance.

I believe the best way to raise the bar on performance is to further embed the sustainability mindset across our business.

What do I mean by that? It’s about creating a workplace culture where sustainability is built into all of Suncor’s planning tools and decision-making processes, including our Operational Excellence Management System (OEMS). So when business decisions are made, they must take into account environmental and social considerations as well as economic ones.

This, in turn, will drive direct sustainability benefits for the company and our stakeholders alike – minimizing our impact on the environment, creating shared value for the communities where we operate and making our operations more reliable and cost-effective.

We are beginning to implement this strategy on several fronts. One example is the decision to embed a respected expert from our sustainability team directly in the business. Stephen Kaufman, formerly Suncor’s director of climate change and management solutions, is now the general manager of sustainable development within Oil Sands & In Situ. In this way, Stephen’s extensive experience on the climate change file is being channelled to the part of our business where greenhouse gas emission management is most critical.



Another example is the work our Supply Chain Management team is undertaking to identify and connect with suppliers who share Suncor's sustainability values.

A company like Suncor has tremendous buying power, and our purchasing decisions can help influence the behaviour of others. So we are actively looking for opportunities to partner with like-minded companies to minimize our collective environmental footprint, maximize the social benefits generated by our businesses and reduce costs.

We are also looking at ways to more fully engage all our employees in Suncor's sustainability journey. This can be as simple as encouraging individuals to turn off their computers or lights at the end of the day or to get more involved in their communities. But at a deeper level, it's about building sustainability concepts into employee orientation and leadership development programs and making sure this approach is also reflected in our goal-setting processes – at the corporate, team and individual level.

For example, we have already begun discussions toward developing a set of post-2015 performance goals for Suncor. This time, our focus will be on creating sustainability goals that encompass both environmental and social challenges. Work to identify, define and test new goals will continue throughout 2013 and 2014.

Taking sustainability to the next level is also about solutions-driven collaboration – with industry peers, governments, non-government organizations, communities and other stakeholders. Together, we need to look at the cumulative impacts of how we produce and use energy and try to find common ground in shaping a more sustainable energy future.

We are involved in collaborations on everything from new technologies to regional water management solutions to Aboriginal economic development. We are also increasingly active in sponsoring and participating in public dialogues on shared energy challenges. As we strive to embed a sustainability mindset across our own business, we will continue to look for new ways to connect with society at large.

I'm excited about the path forward and the opportunity all of us at Suncor have to make a positive difference. But I'm also keenly aware we don't have all the answers and that we must respect diverse opinions and perspectives.

While we won't always agree, I believe our differences can be overcome. In the most fundamental way, we are on this sustainability journey together. Let's keep our eye on the road and reach our destination safely and responsibly.

Arlene Strom
*vice president, sustainability
& communications*



On the web:

For more about our sustainability journey, go to sustainability.suncor.com/performancegoals



- Head office
- Regional office
- Operated
- Non-operated
- Proposed
- * Operations suspended

Suncor Energy's vision is to be trusted stewards of valuable natural resources. Guided by our values, we will lead the way to deliver economic prosperity, improved social well-being and a healthy environment for today and tomorrow.

Suncor's operations include oil sands development and upgrading, offshore oil and natural gas production, petroleum refining, and product marketing under the Petro-Canada brand. While working to develop petroleum resources responsibly, Suncor is also developing a growing renewable energy portfolio.

Suncor is working hard to generate economic growth, minimize environmental impacts and create community well-being.

50

Countries from which we purchase goods and services

2%

Reduction in lost time injury frequency among employees and contractors

\$1.3B

To implement TRO™

10_K

Cubic metres/day of tailings water being used in in situ operations

900_K

Seedlings planted at Suncor's oil sands operation in 2012

Legal Notice

Forward-looking Statements – Suncor’s 2013 Report on Sustainability, including the print and/or on-line version (the “publication”) contains certain forward-looking information and forward-looking statements (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian and U.S. securities laws. Forward-looking statements and other information is based on Suncor’s current expectations, estimates, projections and assumptions that were made by the company in light of information available at the time the statement was made and consider Suncor’s experience and its perception of historical trends, including: expectations and assumptions concerning the accuracy of reserves and resources estimates; commodity prices and interest and foreign exchange rates; capital efficiencies and cost-savings; applicable royalty rates and tax laws; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; and the receipt, in a timely manner, of regulatory and third-party approvals. In addition, all other statements and other information that address expectations or projections about the future, and other statements and information about Suncor’s strategy for growth, expected and future expenditures or investment decisions, commodity prices, costs, schedules, production volumes, operating and financial results, future financing and capital activities, and the expected impact of future commitments are forward-looking statements. Some of the forward-looking statements and information may be identified by words like “expects”, “anticipates”, “will”, “estimates”, “plans”, “scheduled”, “intends”, “believes”, “projects”, “indicates”, “could”, “focus”, “vision”, “goal”, “outlook”, “proposed”, “target”, “objective”, “continue”, “should”, “may” and other similar expressions.

Forward-looking statements in the publication include references to: Suncor’s missions and visions, including to be Canada’s premier integrated energy company; developments around renewable energy (including planned investments); Suncor’s environmental goals to be achieved by 2015 (as compared to a baseline year of 2007), including improving energy efficiency by 10%, achieving absolute reductions in fresh water consumption by 12% and air emissions by 10% and increasing land reclaimed by 100%; Suncor’s goals and expectations around the roll-out of EMS, EIMS and OEMS; Suncor’s TRO™ tailings management approach, which is expected to, among other things, dramatically accelerate the reclamation of tailings ponds (resulting in reclaimable surfaces within 10 years) and mined lands and reduce the need for future tailings ponds; Suncor’s environmental and social goals for 2013-2014; Suncor’s expectations (including results) around technologies being introduced or that may be introduced across Suncor, including those related to surfactants, lubricants, oxyfuel and carbon capture, waterless extraction and electromagnetic technology; the operation, by 2014, of a new \$150 million wastewater treatment facility and the expectations around withdrawal of water as a result; plans to be undertaken by organizations Suncor is involved with, including COSIA and OSJI; the goal to return all disturbed lands to as close to a natural state as possible; Suncor’s belief that it will have two additional wind power projects commencing in 2015; anticipated future emissions and intensities of emissions, including GHG emissions; Suncor’s views around market access for its production; and Suncor’s anticipated transaction to sell the majority of its natural gas business in North America.

The publication also includes Suncor’s planned capital expenditure spend and production guidance for 2012 which is based on our current expectations, estimates, projections and assumptions (collectively, the “Factors”), including those outlined in our corporate guidance available on www.suncor.com/guidance, which Factors are incorporated herein by reference.

Forward-looking statements and information are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Suncor. Suncor’s actual results may differ materially from those expressed or implied by its forward-looking statements, so readers are cautioned not to place undue reliance on them.

Risks, uncertainties and other factors that could influence financial and operating performance of all of Suncor’s operating segments and activities include, but are not limited to, changes in general economic, market and business conditions, such as commodity prices, interest rates and currency exchange rates; fluctuations in supply and demand for Suncor’s products; the successful and timely implementation of capital projects, including growth projects and regulatory projects; competitive actions of other companies, including increased competition from other oil and gas companies or from companies that provide alternative sources of energy; labour and material shortages; actions by government authorities, including the imposition of taxes or changes to fees and royalties, and changes in environmental and other regulations; the ability and willingness of parties with whom we have material relationships to perform their obligations to us; the occurrence of unexpected events such as fires, equipment failures and other similar events affecting Suncor or other parties whose operations or assets directly or indirectly affect Suncor; the potential for security breaches of Suncor’s information systems by computer hackers or cyberterrorists, and the unavailability or failure of such systems to perform as anticipated as a result of such breaches; our ability to find new oil and gas reserves that can be developed economically; the accuracy of Suncor’s reserves, resources and future production estimates; market instability affecting Suncor’s ability to borrow in the capital debt markets at acceptable rates; maintaining an optimal debt to cash flow ratio; the success of the company’s risk management activities using derivatives and other financial instruments; the cost of compliance with current and future environmental laws; risks and uncertainties associated with closing a transaction for the purchase or sale of an oil and gas property, including estimates of the final consideration to be paid or received, the ability of counterparties to comply with their obligations in a timely manner and the receipt of any required regulatory or other third-party approvals outside of Suncor’s control that are customary to transactions of this nature; and the accuracy of cost estimates, some of which are provided at the conceptual or other preliminary stage of projects and prior to commencement or conception of the detailed engineering that is needed to reduce the margin of error and increase the level of accuracy. The foregoing important factors are not exhaustive.

Suncor’s management’s discussion and analysis (“MD&A”) for the first quarter of 2013 dated April 30, 2013 and its Annual Information Form/Form 40-F dated March 1, 2013, Annual Report to Shareholders and other documents it files from time to time with securities regulatory authorities describe the risks, uncertainties, material assumptions and other factors that could influence actual results and such factors are incorporated herein by reference. Copies of these documents are available without charge from Suncor at 150 6th Avenue S.W., Calgary, Alberta T2P 3E3, by calling 1-800-558-9071, or by email request to info@suncor.com or by referring to the company’s profile on SEDAR at www.sedar.com or EDGAR at www.sec.gov. Except as required by applicable securities laws, Suncor disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Measures – Certain financial measures in the publication – namely cash flow from operations, operating earnings, oil sands cash operating costs (excluding Syncrude) per barrel and ROCE – are not prescribed by Canadian generally accepted accounting principles (“GAAP”). For 2012, these non-GAAP measures are defined and reconciled in Suncor’s MD&A for the year ended December 31, 2012. These non-GAAP financial measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measures are included because management uses the information to analyze operating performance, leverage and liquidity, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Reclamation – Reclamation at Suncor is a carefully monitored process with two distinct components: (i) transformation of the area, including tailing ponds, into a solid material that can support vegetation, wildlife and landscape restoration, which includes landform design and oil placement; and (ii) re-vegetation in a way that the reclaimed landscape can support vegetation and wildlife as a self-sustaining ecosystem. When Suncor claims that it has reclaimed land or plans to reclaim land, the reclaimed land will have met or is intended to meet the two distinct components identified in this paragraph.

BOEs – Certain natural gas volumes have been converted to barrels of oil equivalent (boe) on the basis of one barrel to six thousand cubic feet. Any figure presented in boe may be misleading, particularly if used in isolation. A conversion ratio of one bbl of crude oil or natural gas liquids to six thousand cubic feet of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Partnerships – The use of Partnership throughout the document does not necessarily mean a partnership in the legal context.

™ Trademark of Suncor Energy Inc.

Suncor is proud of our involvement with the following organizations:



In 2007, Suncor became the first Canadian energy company to join Ceres, a coalition of investors, environmental groups and other public interest organizations working with companies to address sustainability challenges.



Suncor is a member of the Canadian Association of Petroleum Producers (CAPP). CAPP’s stewardship initiative is a commitment to responsible resource development and continuous improvement that all CAPP members uphold.



The Dow Jones Sustainability Index (DJSI) follows a best-in-class approach comprising the sustainability leaders from each industry. Suncor has been part of the index since the DJSI was launched in 1999.



Have you met OSQAR? You should!

Tell us what you think.

If you have comments or questions about this report, contact:

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Don't forget to check out Oil Sands Question and Response (OSQAR) – Suncor's e-newsletter and blog created to help educate, inform and engage stakeholders in a constructive conversation about energy demand and oil sands development.

OSQAR strives to be current and topical while covering a diverse range of energy-related issues. Editions of the e-newsletter and blog are unique in that they're written in a less formal style, use humour and 'step out' on a range of topics that some may consider controversial.

Sign up and learn more about OSQAR at <http://osqar.suncor.com>

Don't miss out on our new mobile app. Download it from your app store today.

