

Terra Nova Development



Canada-Newfoundland and Labrador Benefits

Public Annual Report 2012



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Introduction

The Terra Nova Oil Field is situated on the Grand Banks, about 350 kilometers east-southeast of St. John's, Newfoundland, and 35 kilometers southeast of the Hibernia Oil Field. The Terra Nova field is comprised of a combination of producing wells, as well as water injection and gas injection wells, and delivers production from the Graben, East Flank and Far East blocks.

The Terra Nova co-ventures are: Suncor Energy (37.675%), ExxonMobil (19%), Statoil (15%), Husky Energy (13%), Murphy Oil (10.475%), Mosbacher Operating (3.85%), and Chevron Canada (1%). Suncor Energy is the operator of the Terra Nova project.

Discovered in 1984, the field was the second to be developed off Newfoundland. Production from the field began in 2002, through the use of a Floating, Production, Storage and Offloading (FPSO) vessel. This was the first development in North America to use FPSO technology in a harsh weather environment.

The FPSO is a ship-shaped vessel which has integrated oil storage capability from which oil is offloaded into a shuttle tanker. The storage capacity of the Terra Nova FPSO is 960,000 barrels of oil with accommodations for up to 120 personnel while producing. The vessel is 292.2 meters long, 45.5 meters wide and stands higher than 18 stories. Terra Nova pre-production capital expenditures were approximately \$2.8 billion. The FPSO arrived in field on August 21, 2001 and produced first oil in January 2002.

Suncor Energy, as operator of Terra Nova, is committed to enhancing opportunities for the people of the province through participation in the Terra Nova Development. A lasting economic legacy is being created for the province through Suncor's recruitment and training of local talent, its provision of full and fair opportunity to local businesses, and by giving first consideration to locally produced goods and services within the Province, where those goods and services are deemed competitive.

This report summarizes overall performance for the Terra Nova Development in the area of Canada-Newfoundland and Labrador Benefits for the reporting period of January 1, 2012 to December 31, 2012. Included in this report are summaries of Terra Nova's Activities, Expenditures, Employment, Education and Training, Supplier Development, Research and Development, Diversity, and Community Investment.

Project Activity and Benefits Accomplishments

Suncor achieved a number of milestones and successes during 2012. Some of the major accomplishments include:

- i.) A total of 1,198 people working on the Terra Nova Project by the end of December 31, 2012. Of the 1,198 people employed, 978 or approximately 82% were residents of NL, while another 111 or approximately 9% were from other regions of Canada.
- ii.) Operational and capital expenditures for the Terra Nova project totaled approximately \$690 million, 68% of which was spent in NL and the other provinces and territories of Canada.
- iii.) Investments in Education and Training (E&T) valued approximately \$3 million.
- iv.) Investments in Research and Development (R&D) conducted locally in NL valued at approximately \$15 million.
- v.) Contributions to diversity related initiatives, with more than \$500k allocated to programs that support groups underrepresented in the workforce.
- vi.) Investments in communities made by Suncor and the Suncor Foundation in excess of \$200k.
- vii.) Oil production of 8.47 million bbls.
- viii.) Celebrating the 10 year anniversary of the Terra Nova FPSO: the first floating production facility to operate in the North Atlantic environment. The Terra Nova FPSO achieved first oil in January 2002.
- ix.) A total of 6,525 purchase orders valued at \$66.6 million were issued with approximately \$58 million (87%) being spent in Canada including NL.
- x.) The activation of Suncor's enterprise-wide Operational Excellence Management System (OEMS).
- xi.) Receiving top prize at the Suncor President's Operational Excellence Awards (POEA) in the Reliability (Small Team) – category for the Terra Nova Maintenance Improvement Project. The award was in recognition of the work done to optimize preventive maintenance (PM) systems and process.
- xii.) Receiving honorable mention at the Suncor President's Operational Excellence Awards (POEA) in the Reliability category for the Turret Spring Remediation Project. This

acknowledgement was in recognition of a unique method developed to replace turret springs in a challenging environment without disruption to production.

- xiii.) The Terra Nova Off Station Project (OSP), which was the most extensive planned shutdown in the history of the Terra Nova FPSO:
 - i. Including a successful FPSO swivel replacement that was completed as part of the Integrated Swivel Turnaround (IST) at the Peter Kiewit Infrastructure Cowhead facility in Marystown, NL.
 - ii. Including replacement of risers and flowlines for the South West Drill Centre (SWDC) and North East Drill Centre (NEDC) with H₂S specifications that will enhance integrity and reliability of offshore assets and production.
 - iii. Including installation of a new South West Drill Centre Satellite Flowbase to enhance production.

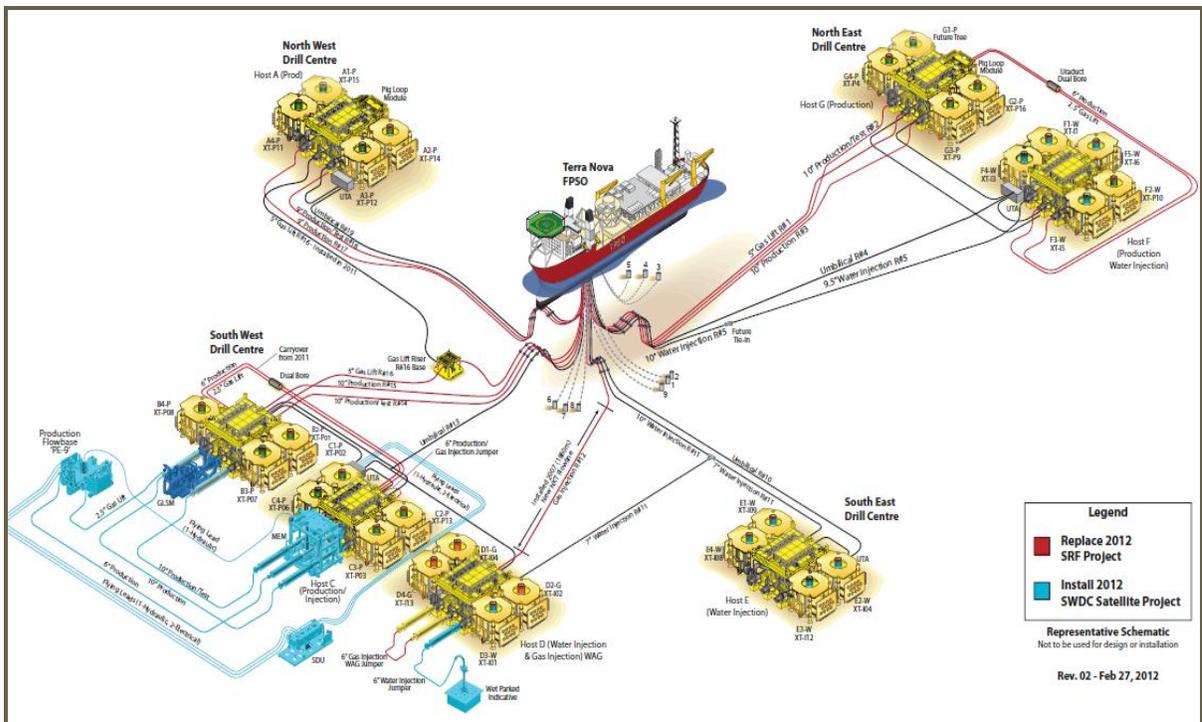
- xiv.) The installation of a new hydrocarbon blanket recovery system on the FPSO during the IST significantly reducing volatile organic compound emissions. When commissioned & in operation, the new recovery system will help Suncor achieve its environmental goal to reduce air emissions and is expected to operate for the life of the Terra Nova Field.

Key Milestone

Off-Station Program (OSP)

The Off-Station Program (OSP) was the most extensive planned shutdown in the history of Terra Nova with oil production shut-in for a period of 27 weeks. OSP was a highly integrated shut down including the replacement of over 20 km worth of flowlines and risers, a new SWDC Satellite Flowbase, and the Integrated Swivel Turnaround (IST). Approximately \$470 million was spent in 2012 to support the OSP.

A major portion of the OSP costs included \$300 million being spent on the replacement of subsea flowlines and risers on both SWDC and NEDC with H2S specifications, and the installation of a new SWDC Satellite Flowbase to enhance production. Picture 1 below illustrates the flowlines and Satellite Flowbase that was installed during the OSP.



Picture 1- Representative Schematic of Terra Nova Oil Field

Of the \$300 million, approximately \$90 million (30%) was spent in Canada with \$84 million (28%) being spent in NL. Some of the local benefits attributed to the subsea work involved:

- Ship Candler services for over 600 vessel days provided by a local vendor
- Full mobilization and use of the Penny Energy Marine Base in Bay Bulls for over 6 months
- Employment of local divers, stewards, occupational health advisers, and marine crew supporting Diving Support Vessels (DSV's)
- Fabrication of a large structure replicating the underside of the spider buoy used in support of diver training. The fabrication work was completed by Marener Industries of St. John's, NL.
- Fabrication of a manifold test JIG by Pennecon Energy Technical Services. The manifold test JIG allowed FMC to perform system integrating testing of subsea equipment locally at the FMC facility in St. John's, NL.

The IST component of the OSP project involved disconnecting the FPSO from its moorings and bringing it ashore for a 15 week turnaround to perform extensive modification work and replacement of its Water Injection Swivel. This is a critical part of the production turret which uses water pressure to flow oil from the reservoir. Following a competitive bid which gave first consideration to NL shipyards, the contract to carry out the repairs was awarded to Peter Kiewit Infrastructure (PKI) at the Cow Head facility in Marystown. Over all, the IST project cost \$170 million with approximately \$149.6 million (88%) being spent in Canada and \$127.5 million (75%) being spent in NL.

Significant human resources were required to carry out the IST. Over 1000 people were directly employed on the project with 82% of workers being from NL and 16% of the workers being female. The workforce was represented by 600 skilled tradespeople, 109 site team personnel, 259 FPSO crew, and 65 personnel from 70 different vendors used on site to support the project.

Before project start up, the shipyard was in a 'cold yard' status and needed the sourcing of 600 skilled tradespeople. Securing the necessary labour force in NL given the current labor market conditions was a sizable challenge. Ensuring that the entire crew was trained, site-ready, and shared Suncor's commitment to safety was an even greater challenge. In all, 337,205 person hours were spent on the project with zero lost time injuries. Considering the size of the work scope and the number of people that were on the work site, this was a clear demonstration of Suncor's commitment and leadership on safety.

The 15-week dockside maintenance project brought a large influx of workers to the Burin Peninsula area resulting in:

- Renovations of two complete apartment buildings, containing 32 rooms, owned and operated by the Marystown Hotel and Convention Centre
- Accommodations for 26,220 room nights at a cost of \$1.6 million
- Catering of 31,250 box lunches at a cost of \$0.5 million
- Transportation of workers to and from the job site at a cost of \$0.6 million

The IST project brought an overall economic benefit to the Burin Peninsula region, generating employment and spin off business to many local restaurants, shops, and local businesses.

Supplier development was another benefit that occurred as a result of the project. At times local vendors were partnered with foreign vendors to complete pieces of work scope resulting in skill development opportunities. An example of knowledge transfer included PKI working with a US company called Paint Supply Company to install a specialized floor coating used in the galley of the FPSO. PKI workers learned installation procedures required for this specialized product. Furthermore Suncor paid for additional training upgrades for PKI to obtain welding certifications in titanium and 904L stainless steel. These new welding certifications will qualify PKI for future work in this specialized area of welding. Another example of supplier development involved a local transportation company, Parsons and Sons, that was contracted to bus workers to and from the worksite. Suncor paid for safety enhancements to have four busses upgraded with seatbelts and become certified by the Department of Transportation. The newly upgraded buses will give further opportunity to Parsons and Sons to bid on future transportation contracts requiring these higher safety standards.

The above are just some of the examples of how the IST project brought benefits to local businesses in the region and helped local businesses enhance their capabilities for future business prospects.

Employment

Basis of Reporting

Terra Nova employees include full-time employees of Suncor and select major Contractors. The numbers reported generally exclude short-term assignments with any of the foregoing entities and any full-time employment which may have been generated by Terra Nova through work by other sub-contractors. However, the number of individuals in these latter categories is minimal and would not materially impact the employee count.

Employment by Residence

As of December 31, 2012, a total of 1,198 people were working on the Terra Nova development. Of the 1,198 total, 978 or approximately 82% were residents of NL, while another 111 or approximately 9% were residents from other regions of Canada at the time of hiring (Table 1).

Total Employment Summary Terra Nova 2012			
Direct Employment (Total Number of Persons)	Newfoundland and Labrador Residents (%)	Other Canadians (OC) Residents (%)	Non-Canadians (NC) Residents (%)
1,198	82%	9%	9%

Table 1 – 2012 Terra Nova Total Employment Summary by Residence

Employment by Residence Status and Location

Newfoundland and Labrador residents supporting the Terra Nova development consisted of 463 employees who were employed onshore, and 497 who were employed offshore. Residents from other Canadian provinces and territories consisted of 31 employed onshore, and 33 employed offshore. A total of 67 people were employed outside of NL supporting Terra Nova (Table 2).

Location	Total Number of Persons					Total
	Residency Status			Gender		
	NL	OC	NC	Male	Female	
Onshore	463	31	27	373	148	521
Offshore	497	33	80	584	26	610
Other	18	47	2	46	21	67
	Total:					1,198

Table 2 - Terra Nova (December 31, 2012) Employment Summary by Location

Employment by Discipline

Of the 1,198 employees supporting the Terra Nova development, 1,003 were male and 195 were female or approximately 16% of the workforce (Table 3). Table 3 also breaks down the employment summary by discipline, which includes management, administration, engineers, technicians, professionals, skilled trades, labour, students and others that do not fit as one of these categories. The discipline that is the most male-dominant is the other category at 98% male (this category largely represents marine crew), while the discipline that is the most female-dominated is administration at 68% female.

Discipline	Number of Persons				Total Number of Persons
	Male	%	Female	%	
Management	110	86%	18	14%	128
Administration	39	32%	82	68%	121
Engineers	90	85%	16	15%	106
Technicians	107	82%	23	18%	130
Professionals	108	79%	28	21%	136
Skilled Trades	215	97%	6	3%	221
Labour	47	81%	11	19%	58
Students	24	83%	5	17%	29
Other	263	98%	6	2%	269
Totals:	1,003		195		1,198

Notes:

- Disciplines are based on the following National Occupational Classification (NOC) Codes:
 - Management** includes: *Senior Managers* as well as *Middle & Other Managers*
 - Administration** includes: *Administrative & Sr. Clerical Personnel* as well as *Clerical Personnel*
 - Engineers** includes: only those in that NOC Code
 - Technicians** includes: *Semi-professionals & Technicians*
 - Professionals** includes: only those in that NOC Code
 - Skilled Trades** includes: *Skilled Crafts & Trades* as well as *Skilled Trades & Service*
 - Labour** includes: *Semi-Skilled Manual Workers, Other Manual Workers* as well as *Intermediate Sales & Service*
- Students** includes: any student enrolled at a recognized educational institution or accredited academic program and includes both graduate and undergraduate students, cadets or any other student.
- Other** includes: positions that do not fit into any of the other disciplines.

Table 3 - Terra Nova (December 31, 2012) Employment Summary by Discipline

Canadian-NL Content Estimates

The following table is intended to reflect the benefit distribution from Terra Nova operating and capital cash expenditures. Table 4 summarizes the content distribution of these expenditures for the 2012 reporting period. The content percentages totaled 55%, 13%, 32% for Newfoundland and Labrador, other Canadian and non-Canadian spending, respectively. As a cumulative project figure, the content percentages are Newfoundland and Labrador 56%, Other Canadian 16% and Non-Canadian 28%.

Reporting Period 2012	Content		
	Newfoundland and Labrador (%)	Other Canadian (%)	Non-Canadian (%)
Year to Date:	55%	13%	32%
Project Cumulative:	56%	16%	28%

Table 4 – 2012 Terra Nova Canadian-NL Content Estimates

Contracting and Procurement

A total of thirteen new contracts or extensions, with a value greater than \$250,000, were awarded during the reporting period January 01, 2012 to December 31, 2012 (Table 5).

Contracting Activity Terra Nova 2012		
Description	Contractor	Contractor Location (NL, Other Canadian, Non-Canadian)
3D Processing of Seismic Data (North Mara/Flying Foam)	CGGVeritas (Canada) Inc.	Other Canadian
Dual Polarized Ice Detection and Navigation Radar Research and Development	Petroleum Research Atlantic Canada (PRAC)	NL
2012 Riser/Flowline Installation	Subsea 7 Canada Inc.	NL
Consulting Services	AMEC Black & McDonald Limited	NL
Liner Hangers and Services	Halliburton Group Canada Inc.	NL
Consulting Services	Upstream Solutions Inc.	NL
Quayside Services for the Terra Nova FPSO	Peter Kiewit Infrastructure Co.	NL

Description	Contractor	Contractor Location (NL, Other Canadian, Non-Canadian)
Bioindicators – Diagnostic Tools for Effective Assessment of Specific Marine Life	Petroleum Research Atlantic Canada (PRAC)	NL
2012 Flare Tip Replacement	Vertech Offshore AS	Non-Canadian
Marine Dredge Disposal – Measuring Recovery to Natural Conditions	Petroleum Research Atlantic Canada (PRAC)	NL
Light Intervention Vessel and Services	Helix Well Ops (UK) Ltd.	Non-Canadian
IST Tug Support	Atlantic Towing Ltd.	NL
Grouting Services	ULO Systems LLC	Non-Canadian

Table 5 – 2012 Terra Nova Contracting Activity

A total of 6,525 purchase orders with a cumulative value of approximately 67 million were awarded during the reporting period of January 01, 2012 to December 31, 2012. Approximately \$58 million (87%) was spent in Canada including NL. Figure 1 summarizes the distribution of spend associated with all purchase orders across locations.

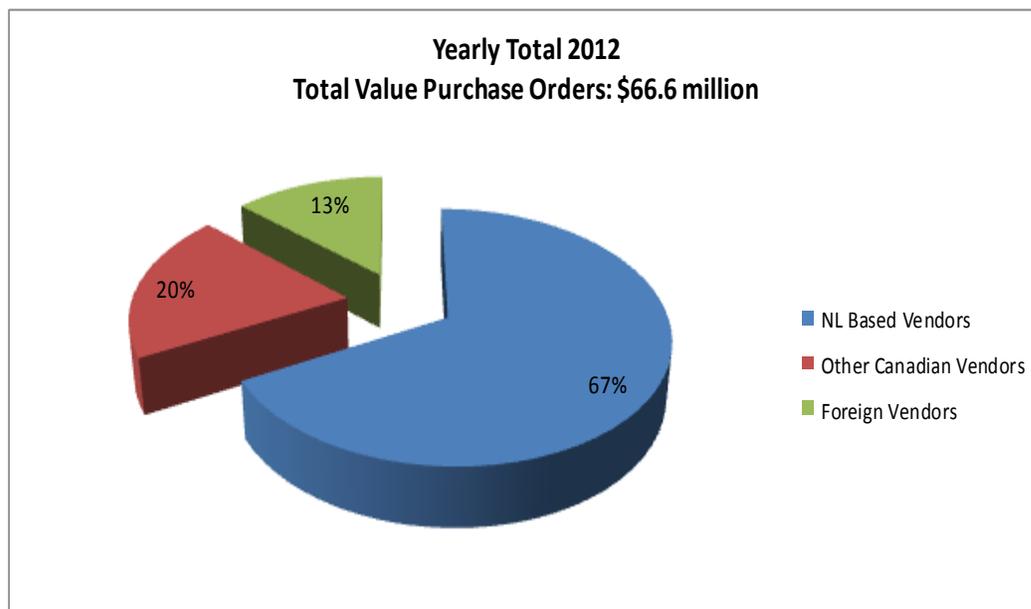


Figure 1 – 2012 Terra Nova Total Value Purchase Orders

Supplier Development

To ensure Newfoundland and Labrador suppliers are provided full and fair opportunity to participate in the supply of goods and services to the Terra Nova project, Suncor uses various methods to share information about requirements in a timely manner. Some of the methods are as follows:

1) NOIA Daily Bulletin

Suncor advises the supplier community of Terra Nova's requirements for goods and services by posting Expressions of Interest (EOI) on the NOIA Daily Bulletin. The NOIA Daily Bulletin is the most commonly used communication tool for the Oil and Gas Industry and is far reaching in the supplier community.

2) Supplier Info Sessions

From time to time, Suncor has been approached by new suppliers seeking information about participating in the oil and gas industry. Suncor's Supply Chain department often takes the opportunity to meet with new businesses to understand their capabilities and to provide information on Terra Nova's requirements and expectations.

3) Supplier Debriefing Sessions

Suncor is committed to providing all unsuccessful bidders a de-briefing on their bid, if they so request. In 2012, several companies availed of a de-briefing or spoke with a Commercial Coordinator regarding their bid and received suggestions for improvements for the future.

4) Supplier Performance Management

Suncor has implemented a new supplier performance management system that ensures Suncor can pursue an agenda of continuous improvement with its suppliers. The process proactively supports suppliers in performance measurement and improvement to help them in achieving and exceeding their contract objectives.

5) General Communication Tools

At the outset of the Terra Nova project, Suncor committed to open and timely communication. In order to deliver on this commitment, Suncor maintains a number of key initiatives, which are described below:

- i. Briefing Sessions: Suncor has and will continue to provide briefing sessions with key stakeholder groups as a means of sharing information, identifying issues, and building long-term relationships. Some of the key stakeholders include government departments, C-NLOPB, NOIA, and the St. John's Board of Trade. These sessions will continue as a forum for direct interaction with stakeholder groups. In 2012, Suncor held meetings with the government, C-NLOPB and selected contractors on a variety of issues.

- ii. Presentations and Speeches: Suncor responds to and initiates opportunities to provide development updates and company overviews as well as technical papers and presentations to local, national and international audiences in business, industry and government. In 2012, Suncor presented at the Newfoundland and Labrador Ocean Industries Association (NOIA) annual conference, and participated in a number of community partner events.

Research and Development and Education and Training

Terra Nova Research and Development

Research and Development (R&D) is a key focus area for the Terra Nova project as it provides the opportunity for real and quantifiable benefits for the project itself, the local oil and gas industry, and the people of Newfoundland and Labrador. In addition to the potential positive impact of R&D activities in terms of the business case, investment in R&D activities also provides a mechanism for the Terra Nova project to identify areas where processes and associated infrastructure can be improved in terms of safety to people and the environment. Furthermore, the Terra Nova project also recognizes R&D investment as a key enabler of innovation and growth in the province in terms of the local oil and gas industry and the many industries and organizations that support the work of the oil and gas industry.

In 2012, Terra Nova sponsored R&D activities focused on a number of areas including safety, the environment and development/operational challenges. Expenditures in R&D during the reporting period of January 01, 2012 to December 31, 2012 were approximately \$15 million. A summary of R&D activities undertaken during 2012 is provided in Table 6.

Description		Research Agency
Environment and Safety		
1.	Oiled Seabird Rehabilitation Program	Various
2.	Environmental Effects Monitoring (EEM) Program Years 2000 to 2012	Jacques Whitford/ Stantec
3.	Coastal Monitoring of Seabird Populations in Placentia Bay	NLEA
4.	Emergency Escape and Rescue in Ice Phase II	PRNL
5.	Marine Dredge Disposal – Measuring Recovery to Natural Conditions	PRNL
6.	Arctic & Cold Climate Oil Spill Response (OSR) Research Facility	PRNL
7.	Bioindicators - Diagnostic Tools for EEA	PRNL
Development/Operations Related		
8.	Centre for Arctic Research and Development Program (CARD)	C-CORE
9.	Reservoir Souring: Subsurface Control of H ₂ S and Mitigation Techniques	PSN/Tier One/PKI
10.	Bilge Keel Investigation and Repair Project	Oceanic/PKS
11.	Advancement of Fixed Wing Ice Reconnaissance Program	PAL
12.	Arctic and Cold Region Subsea Development Technology JIP	PRNL
13.	Acoustic Zoom Seismic Method	PRNL
14.	Dual Polarized Ice Detection and Navigation Radar	PRNL
15.	Enhanced Satellite Radar-Based Iceberg Detection	PRNL
16.	Enhanced Iceberg and Sea Ice Drift Models	PRNL
17.	Ice Loads on Floating Structures Phase I	PRNL
18.	Suncor – Advanced Exploration Drilling Technology	MUN
19.	Suncor – C-CORE Annual Contribution	C-CORE
20.	Suncor – Baseline R&D Activity in PRNL	PRNL
OTHER		
21.	Confidential/Proprietary R&D Projects	Various

Table 6 - 2012 Terra Nova Research and Development Activities

Terra Nova Education and Training (E&T)

Terra Nova’s commitment to its employees is evident by the significant annual investment made in E&T. During the reporting period, Suncor and Terra Nova Contractors spent approximately \$3 million in E&T activities related to the Terra Nova Development.

Suncor has placed a strong focus on capability development, providing individuals with educational assistance to further their studies. Suncor continues to use local training institutions and education expertise where possible. In instances where local training is not available, Suncor brings expertise into the province to deliver the required training. This not only provides the ability to train a greater number of Suncor employees but also has allowed Suncor to partner with other operators and Contractors (i.e., White Rose, HMDC, PSN) thus achieving a more capable provincial labour market.

Some of the focus areas where Suncor has made investments in E&T in direct employees include:

- Educational Assistance
- Training/Conferences/Seminars
- Emergency Response Centre
- Development of an FPSO Hydrodynamic Model
- Subsea Modeling and ROV Simulations

In addition to providing E&T opportunities to employees, Suncor continues to support community educational initiatives within the province. During 2012, Suncor spent approximately \$300k supporting the following community E&T initiatives:

Description		Recipient
1.	Young Innovators Award	MUN
2.	CAPP FLO Video	CAPP
3.	Master Mariners Nautical Skills Competition	Marine Institute
4.	Canadian Underwater Conference	Diver Certification Board of Canada
5.	Shad Valley (MUN Program)	Shad Valley
6.	CARD Arctic Engineering Course	C-CORE
7.	St. John's 2012 Geoscience Conference	Geological Association Of Canada

Table 7 – 2012 Summary of Terra Nova’s Community Education & Training

Suncor and Terra Nova Contractors continue to support co-operative education programs offered through local university and technical institutions with interesting and challenging work opportunities in various functions of our businesses such as engineering, geosciences, finance, supply chain management, and marine roles. In 2012, the Terra Nova Project filled a total of 131 Co-op positions at a cost of approximately \$1.5 million. The Co-op program has been quite successful in helping Suncor and Terra Nova contractors identify long-term hires needed to support the labour requirements of the Terra Nova project.

Diversity

Suncor is committed to cultivating diversity within a respectful, inclusive workplace. As Canada's largest energy company, it's critically important that we foster an environment in which all employees are valued and treated with respect.

Suncor believes diversity leads to a healthier and more successful workplace. Valuing diversity means respecting and celebrating individual differences. At Suncor, we work hard to ensure our most important asset, our people, have differing perspectives, experiences and backgrounds, reflective of the communities in which we live and operate.

Suncor is committed to having a workforce that is motivated, capable and aligned with our values of being results-focused, decisive, trustworthy, professional and respectful. This is reflected in Suncor's recruitment efforts and as a result, there has been success in recruiting people of diverse backgrounds at all levels in the organization. Most importantly, our diversity initiatives are intended to provide opportunities for individuals from diverse groups to attain the knowledge and skills to contribute as valuable members of our workforce.

Monitoring Employment of Designated Groups

In 2012, as part of its commitment to diversity, Suncor began monitoring the employment levels of underrepresented groups on Terra Nova including women, aboriginals, persons with disabilities and members of visible minorities. The following Table 8 illustrates the employment of members within these four designated groups working on the Terra Nova project as of December 31, 2012. The figures presented in Table 8 are based on data collected from employees through self-identification on a confidential and voluntary basis. Information regarding gender was obtained from employees' records. In 2012, 20% of Terra Nova's workforce represented members from the four designated groups. Women represented the largest group (16%), Aboriginal People represented 2%, Persons with Disabilities and Members of Visible Minorities each represented 1% of Terra Nova's workforce.

Attracting and retaining talent that has previously been underrepresented in the workforce is critical to ensuring that Suncor can access the necessary people and skills both in the short and longer term.

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Total Workforce (at end of reporting period): (January 01 -December 31, 2012) **1,198 persons**

Category	Women (%)	Aboriginal Peoples (%)	Persons with Disabilities (%)	Members of Visible Minorities (%)
Managers and Supervisors	1%	0%	0%	0%
Professional and Technical	6%	1%	0%	1%
Administrative	7%	0%	0%	0%
Skilled Crafts and Trades	1%	1%	0%	0%
Sales and Service	0%	0%	0%	0%
Manual Workers	1%	0%	1%	0%

Table 8 – 2012 Terra Nova Employment of Designated Groups

Notes:

1. The numbers reported in this table may also be reported under other oil projects due to shared services.
2. Total Workforce is the total number of persons directly employed on the project at end of reporting period including operator and contractor personnel.
3. Participation of members of designated groups is expressed as a percentage of the total workforce rounded to a whole percentage and is based on data collected through self-identification on a confidential and voluntary basis. Information regarding gender is obtained from employee records.
4. Categories are based on the employment equity occupational groups by Statistics Canada filtered to include occupations relevant to the oil and gas industry. Accordingly:
 - **Managers and Supervisors** includes: *Senior Managers, Middle & Other Managers, and, Supervisors and Supervisors: Crafts and Trades*
 - **Professionals and Technical** includes: *Professionals* as well as *Semi-professionals & Technicians*
 - **Administrative** includes: *Administrative and Sr. Clerical Personnel* as well as *Clerical Personnel*
 - **Skilled Crafts and Trades Workers** includes: only those in that employment group
 - **Sales and Service** includes: *Skilled Trades & Service, Intermediate Sales & Service Personnel* as well as *Other Sales & Service Personnel*
 - **Manual Workers** includes: *Other Manual Workers* and *Semi-Skilled Manual Workers*

Diversity Strategies

In 2012, Suncor began accelerating the diversity of its workforce and worked to develop strategies to increase the number of women and other members of underrepresented groups in its workforce. A cross-functional working group was setup at Suncor to look at strategies to increase the number of women in more senior leadership roles within the company. In 2013, Suncor is committed to continuing to advance this work.

One of Suncor’s diversity strategies in 2012 was to direct E&T funding towards programs targeting groups designated as being underrepresented in the workforce. Supporting skills and knowledge development to enable a more diverse pool of talented applicants could potentially support the labour requirements of Terra Nova and the local suppliers that support the oil and gas industry. During 2012, Suncor contributed more than \$500k in funding support towards programs that support the education and development of underrepresented groups in the workforce. Making strategic investments in E&T is one way the development of petroleum resources offshore Newfoundland is contributing to the growth and sustainable development of the Province.

The following diversity related initiatives were supported by Terra Nova in 2012:

Expenditures with a focus on Diversity		
1.	WinSETT Leadership Program	WinSETT
2.	Ella Manuel Trust	NLTA
3.	NLOWE Conference	NLOWE
4.	WISE Summer Student Employment Program	WISE
5.	Techsploration	WRDC
6.	Smart Portal for Women in SETT Careers	WinSETT
7.	WinSETT Research and Data Collection	WinSETT
8.	Development of a Future Leaders Network	WinSETT
9.	Premier's Forum on Leadership	Advisory Council on the Status of Women
10.	MUN Aboriginal Scholarships/Bursaries	MUN
11.	MUN Glenn Roy Blundon Centre	MUN

Table 9 – 2012 Summary of Terra Nova’s Diversity Expenditures

Community Investment

Suncor is committed to supporting the communities that have contributed to its success. Investments made by Suncor and the Suncor Foundation are primarily focused on the communities in which we operate. The primary goal is building strong community relationships and enhancing the quality of life of those communities through environmental, social, and economic contributions. During 2012, Suncor contributed in excess of \$200k to NL communities' initiatives. Some examples of how Suncor has given back to its communities are as follows:

- 1) Contributions to the United Way of Avalon, an organization that provides funding to charities and not-for-profits in Newfoundland & Labrador.
- 2) Following a very successful 2012 United Way Campaign, Suncor East Coast hosted a Day of Caring event at the Janeway Children's Hospital in St. John's. Employee volunteers spent the day decorating the various units of the Janeway for Halloween, (Picture 2).
- 3) Sponsorship of Newfoundland Symphony Orchestra, "Suncor Energy Big Band Show". Suncor also supported a Musical Chairs program, as well as a number of other concerts and events.
- 4) Sponsorship of the 2012 Junior Achievement Business Hall of Fame.
- 5) Sponsorship and participation in 2012 Oil and Gas week "Energy Day" – an event designed to introduce high school students to career opportunities in the oil and gas industry.
- 6) Participation in Food Drive Campaigns such as the Salvation Army Christmas Hamper.
- 7) Sponsorship of the Movember Campaign through corporate and employee's donations.
- 8) A number of conferences and educational events were also supported, including the Safety Services NL Conference, NOIA Outstanding contributor luncheon, the Health Care Foundation Eleganza and the Professional Engineers and Geoscientists of NL conference.
- 9) In addition, a number of organizations were supported through golf tournaments and fundraising events, including the Children's Wish Foundation, Canadian Cancer Society, Memorial University, Kids Eat Smart Foundation and the St. John's Boys and Girls Clubs.



Picture 2- Suncor's Day of Caring employee volunteers

Summary

In 2012, Suncor through its operatorship of Terra Nova, has invested more than \$18 million in the local community through its spending in Education and Training, Research and Development, diversity related initiatives and community investment. These expenditures strengthen the community in which Suncor operates and will contribute to the continuing development of Newfoundland and Labrador's offshore oil and gas industry.

Conclusion

Suncor continues to progress in its commitments to Canada-Newfoundland and Labrador Benefits as required under the conditions set out in the Benefits Plan for the Terra Nova project. As outlined in this report, Suncor, through its 2012 activities, has supported key commitment areas of Employment, Contracting and Procurement, Research and Development and Education and Training, Supplier Development, and other relevant areas such as Diversity and Community Investment.

Suncor is contributing to an economic legacy for the people of the province through its recruitment and training of local talent, provision of full and fair opportunity to local businesses, and by giving first consideration to locally sourced goods and services within the province, where those goods and services are deemed competitive.

Suncor will continue its commitment to Canada-Newfoundland and Labrador Benefits throughout its operation of the Terra Nova Development and in future offshore exploration activities in Newfoundland and Labrador.