




Audit Integration

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Outline

- Suncor Profile
- Sustainability and Suncor
- Audit History
- Audit Approach
- Integration
- Sustainability Reporting
- KPI Verification
- What's Next?



Suncor Profile

Canada based integrated energy company

- market cap of about \$10 billion
- revenues in 2000 of \$3.4 billion
- key businesses
 - Oil Sands
 - Natural Gas
 - Sunoco
- Alternative and Renewable Energy

Our Vision of Sustainability: *Core Purpose*

"Suncor Energy is a unique and sustainable energy company dedicated to vigorous growth in world wide markets by meeting the changing expectations of our current and future stakeholders"

Sustainable Development Concept



Audit History

Late 80's / early 90's

- adopted ISRS/ILCI/DNV company wide
 - 5 star rating at Sunoco refinery in 1993
 - “Star Wars” at Oil Sands

Early to mid 90's

- audit protocols customized to incorporate environment alongside health and safety

Audit History *(cont'd)*

Mid to late 90's

- corporate mandate for all businesses to have ISO 14001 equivalent EHSMS
- Sarnia refinery ---> ISO 14001 certification
- Firebag in-situ project declares intent to pursue ISO 14001 certification

Audit Approach

- Assessments and Audits
 - Tier 1 assessment
 - company wide every 3 to 5 years
 - internal and external resources
 - customer is EHS Committee of the BOD and CEO
 - Tier 2 audit
 - conducted by operating business
 - evaluates management systems and compliance
 - customer is EVP

Integration

- Ongoing Initiatives
 - Life Cycle Value Assessment
 - Sustainability Integration Teams
 - Emission Valuation
 - Stakeholder Engagement
 - World Business Council for Sustainable Development (WBCSD)
 - *Sustainability Progress Reporting*

Why Report?

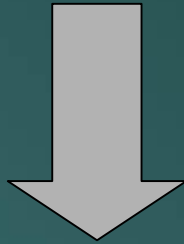
- Internal Benefits
 - ‘health check’ on performance
 - advances internal understanding of sustainability
 - internal alignment
- External Benefits
 - ‘walking our talk’
 - building the case for ‘developer of choice’
 - supports stakeholder engagement
 - sustainability / ethical funds
 - business marketing

Third Party Verification

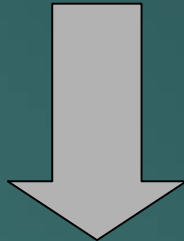
- 2001 Sustainability Progress Report
 - first time for verification
 - evolutionary approach
 - engaged PricewaterhouseCoopers
 - selected key performance indicators based on:
 - relevance to stakeholders
 - internal relevance
 - maturity of data collection systems

Verification Approach

PLANNING



EXECUTION



COMPLETION

Finalize terms of reference of engagement

Mobilize resources

Conduct preliminary review of controls

Develop audit strategy

Review draft assertions

Develop audit task plan

Communicate strategy and plan

Visit business units (BU's) and collect evidence

Assess controls within BU's

Conduct detailed testing where appropriate

Prepare assessment reports for each BU

Document observations and findings

Provide management letter to client

Review final client representations

Prepare auditor's report

Evaluate audit performance

Close engagement

Key Performance Indicators

Environment

- Greenhouse gas (GhG) emissions
- GhG intensity
- Sulphur dioxide (SO₂) emissions
- SO₂ intensity
- Major incidents
- Regulatory contraventions
- Number of penalties and fines
- Dollar amount of penalties and fines



Key Performance Indicators

Economic

- Production
- Net earnings
- Cash flow from operations
- Return on capital employed
- Capital and exploration expenditures
- Research and development investment
- Taxes and royalties paid to government

Key Performance Indicators

Social

- Voluntary employee turnover
- Ratio of jobs offered to accepted
- Lowest wage
- Minimum wage
- Ratio of lowest to minimum wage
- Basic wages paid
- Total wages paid
- Suncor Energy Foundation charitable contributions
- United Way contributions
- Aboriginal people
- Women
- Women in management
- Visible minorities
- Persons with disabilities

What's Next?

- Corporate Social Responsibility Policy
- Develop a CSR Management System
 - regular and ongoing internal review of KPIs
- Conduct a CSR Audit

We Care