

SUNCOR ENERGY FOUNDATION

FINANCIAL STATEMENTS
and independent auditor's report thereon

FOR THE YEAR ENDED DECEMBER 31, 2023

(stated in Canadian dollars)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Suncor Energy Foundation

Opinion

We have audited the financial statements of Suncor Energy Foundation (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations and its cash flows year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
April 2, 2024

SUNCOR ENERGY FOUNDATION
STATEMENTS OF FINANCIAL POSITION

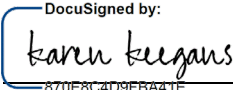
(stated in Canadian dollars)


As at December 31	Note	2023	2022
Assets			
Current assets			
Cash		23,279,257	22,288,964
GST and other receivable		36,392	156,823
Short term investment	3	250,000	-
		23,565,649	22,445,787
Fixed assets			
Fixed assets	9	18,000	-
		18,000	-
Total assets		23,583,649	22,445,787
Current liabilities			
Payable to Suncor Energy Services Inc.		112,053	97,188
Payable to Suncor Energy Inc.		18,347	18,347
Accounts payable and accrued liabilities		54,875	201,800
		185,275	317,335
Unrestricted net assets			
Unrestricted net assets		3,998,374	4,728,452
Internally restricted - reserve fund	4	19,400,000	17,400,000
		23,398,374	22,128,452
Total liabilities and net assets		23,583,649	22,445,787

Pledged donations (Note 5)

The accompanying notes are an integral part of the financial statements.

Approved by the Members of the Board of Directors

Member 
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Member 
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SUNCOR ENERGY FOUNDATION
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

(stated in Canadian dollars)

For the year ended December 31	Note	2023	2022
Revenue			
Contributions	6	25,000,000	24,000,000
Contributions - in-kind	9	18,000	-
Interest income	8	1,336,425	422,118
Total revenue		26,354,425	24,422,118
Donations			
Community		9,296,409	6,919,367
Indigenous		6,028,582	4,304,602
Energy		4,499,728	2,735,140
SunCares		2,480,034	2,729,951
Community Presence		574,000	1,140,000
Suncor Energy Foundation Programs		1,137,484	1,250
Total donations		24,016,237	17,830,310
Administration expenses			
Salaries and benefits	6	753,351	766,612
Event and programs		133,296	272,861
Professional services		61,166	50,531
Rentals - office space and furniture	6	71,529	68,909
Travel	6	44,554	18,399
Miscellaneous		4,370	26,584
Total administration expenses		1,068,266	1,203,896
Total expenditures		25,084,503	19,034,206
Excess of revenues over expenditures		1,269,922	5,387,912
Net assets - beginning of year		22,128,452	16,740,540
Net assets - end of year		23,398,374	22,128,452

The accompanying notes are an integral part of the financial statements.

**SUNCOR ENERGY FOUNDATION
STATEMENTS OF CASH FLOWS**

(stated in Canadian dollars)

For the year ended December 31	Note	2023	2022
Operating activities			
Excess of revenues over expenditures		1,269,922	5,387,912
Less donations in-kind		(18,000)	-
Net change in non-cash working capital	7	(11,629)	84,056
Cash flow provided by operating activities		1,240,293	5,471,968
Investing activities			
Purchase of short-term investments		(250,000)	-
Cash flow provided by investing activities		(250,000)	-
Movement in cash			
		990,293	5,471,968
Cash - beginning of year		22,288,964	16,816,996
Cash - end of year		23,279,257	22,288,964

The accompanying notes are an integral part of the financial statements.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. Purpose

Suncor Energy Foundation (the "Foundation") was incorporated under Part II of the Canada Corporations Act as a not-for-profit organization on November 8, 1996 and commenced active operations in April 1998. The Foundation was issued a certificate of continuance under the Canada Not-for-Profit Corporations Act on January 3, 2014. The Foundation is a registered charity under the Income Tax Act of Canada and accordingly, is exempt from corporate income tax.

The Foundation's purpose is to manage the contributions of Suncor Energy Inc. and its subsidiaries (collectively "Suncor") to areas of corporate interest. Areas of corporate interest include Community, Energy, Indigenous, SunCares, Community Presence and Suncor Energy Foundation Programs.

Suncor is the sole contributor to the Foundation and the Foundation is economically dependent on Suncor. The contributions from this entity are directed towards areas of corporate interest through Canadian registered charities.

The Foundation is registered under the Charitable Fundraising Regulation of Alberta and has considered all required disclosures under Section 7(2) of the Regulation in preparing the financial statements.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with accounting standards for not-for-profit organizations as set out in Part III of the Chartered Professional Accountants Handbook, as issued by the Canadian Accounting Standards Board.

Use of estimates

The financial statements of the Foundation have been prepared in accordance with Canadian generally accepted accounting principles, which require management to make assumptions and estimates that affect the reported amount of assets, liabilities, revenues and expenses. Actual amounts could differ from those estimates. The Foundation has no significant estimates.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for expenses of one or more future periods are deferred and recognized as revenue in the same period or periods as the related expenses are recognized.

Interest income is recognized as revenue in the period it is earned.

Cash

Cash includes deposits with banks.

Financial instruments

The Foundation's financial assets and liabilities are classified at amortized cost. Financial assets and liabilities are measured at fair value on initial recognition, which is typically the transaction price.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Summary of Significant Accounting Policies (continued)

Contributed services

A portion of the Foundation's work is dependent on voluntary services. As a result of the difficulty in determining their value, these contributed services are not recognized in the financial statements. Where an assessment can be made, donations in kind will be included as fixed assets until such determination can be made how they will be purposed. If the assets are further donated, the asset value will be treated as a donation.

Government Grants

Government grants are recognized when the Foundation has reasonable assurance that it has complied with the relevant conditions of the grant and that it will be received. The Foundation recognizes the grants that compensate the Foundation for expenses incurred against the financial statement line item that it is intended to compensate.

3. Financial Instruments

The financial assets of the Foundation include cash, receivable from Suncor Energy Inc., and GST and other receivable. The financial liabilities include accounts payable and accrued liabilities and payables to Suncor Energy Services Inc. and Suncor Energy Inc.

On October 1st, 2023, Suncor Energy Foundation invested in a promissory note with Windmill Microlending for a period of 1 year. This 1-year promissory note pays interest at a rate of 3.55% and has an option for renewal. Windmill Microlending is a registered Canadian charity offering affordable loans to help skilled immigrants and refugees achieve career success.

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration.

Credit risk

Credit risk arises from the potential that a counter party will fail to discharge its obligations. The Foundation does not consider that it is exposed to significant credit risk.

The Foundation is exposed to credit risk relating to cash. The risk is mitigated as cash is deposited with a major Canadian bank.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation does not consider that it is exposed to significant liquidity risk.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation does not consider that it is exposed to significant market risk.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Financial Instruments (continued)

Interest rate risk

The Foundation maintains its cash in interest bearing accounts and term deposits, which are subject to interest rate changes depending on prevailing rates and the length of time the Foundation invests the related cash.

During 2023, Suncor Energy Foundation obtained an interest-bearing promissory note with Windmill Microlending for \$250,000. The interest associated with this note will have no impact on the interest rate risk.

There has been no change to the risk exposure from 2022.

4. Internally Restricted – Reserve Fund

A reserve of \$19,400,000 (2022 - \$17,400,000) is internally restricted by the Board of Directors as a future operational reserve and must be held in cash or short-term investments.

5. Pledged Donations

Long term pledged donations are often made; these pledged donations are not recorded in the financial statements. While future donations are expected to be funded through future contributions from Suncor, the Foundation does manage the risk associated with these pledged payments by holding cash to mitigate any potential impact due to a decrease in funding from Suncor.

The amounts pledged at December 31, 2023 are as follows:

	Pledged Donations
2024	14,082,936
2025	6,394,643
2026	2,850,000
	23,327,579

6. Related Party Transactions

Suncor controls the Foundation by virtue of its ability to appoint all of the Foundation's Board of Directors (the "Board"). The Foundation's Board is comprised of Suncor senior leaders representing various business and functional units. In addition to being responsible for managing the Suncor contributions, the Board also sets the strategic direction of the Foundation, makes decisions on grant requests in excess of \$100,000 and evaluates the performance of the contributions made. During 2023, Suncor contributed a total of \$25.0 million to the Foundation (2022 - \$24 million).

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Related Party Transactions (continued)

Suncor Energy Services Inc., a wholly owned subsidiary of Suncor, provides office supplies, facilities, IT services, employees and accounting services to the Foundation. During the year, the Foundation recorded expenses related to these services in the financial statements as follows:

Related Party Transactions	2023	2022
Salaries and benefits	700,531	766,101
Travel	28,365	-
Rentals - office space and furniture	71,529	68,909
Other ⁽¹⁾	9,148	88,674
	809,573	923,684

⁽¹⁾ In 2022 other mainly represented SEF seminar held in December 2022, including travel costs

These transactions were completed in the normal course of operations on normal market terms and are measured at the exchange amount.

Receivables from and payables to the related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

7. Non-Cash Working Capital

The decrease in non-cash working capital is comprised of the following:

	2023	2022
GST and other receivable	120,431	(147,023)
Payable to Suncor Energy Services Inc.	14,865	10,840
Payable to Suncor Energy Inc.	-	18,439
Accounts payable and accrued liabilities	(146,925)	201,800
	(11,629)	84,056

8. Interest Income

Interest income is earned for both the Unrestricted and Internally restricted funds. In addition, interest is earned on the promissory note with Windmill Microlending effective October 1, 2023.

	2023	2022
Restricted and unrestricted funds	1,334,188	422,118
Promissory Note	2,237	-
	1,336,425	422,118

9. Fixed Assets

On December 15, 2023, Hendrikus Bervoets provided 20 collages (numbered 1/1) at a value of \$900 apiece. An independent appraisal was provided at no cost to confirm the fair market value.

SUNCOR ENERGY FOUNDATION
SCHEDULE A
DONATIONS TO COMMUNITY ORGANIZATIONS TO DECEMBER 31, 2023

(unaudited)

(stated in Canadian dollars)

Agora Foundation	83,640
Ashoka Canada	350,000
Black Opportunity Fund	200,000
Calgary Chamber of Voluntary Organizations	100,000
Canadian Urban Institute	200,000
Capacity Canada	200,000
Centre for Social Innovation	100,000
Community Foundations of Canada	90,000
Edmonton Chamber of Voluntary Organizations	100,000
Evergreen	300,000
FearIsNotLove Society	99,317
FuseSocial Wood Buffalo Society	1,050,000
Imagine Canada	200,000
Jane/Finch Community and Family Centre	200,000
Makeway Charitable Society	100,000
Mars Discovery District	700,000
Memorial University of Newfoundland	250,000
Mount Royal University Foundation	240,934
Ontario Trillium Foundation	100,000
Royal Conservatory of Music	150,000
The Association of Volunteer Centres and Volunteer Engaging Organizations	295,000
The Banff Centre	1,665,330
The Calgary Foundation (Foundation for Black Communities)	250,000
The Community Foundation of Newfoundland and Labrador	140,000
The Governors of the University of Calgary	250,000
The Tamarack Institute for Community Engagement	200,000
The University of Manitoba	249,600
Toronto Association of Neighbourhood Services	100,000
University of The Fraser Valley	122,918
Vivo for Healthier Generations	100,000
Volunteer Canada - Benevoles Canada	75,000
Volunteer Centre of Calgary (Operating as Propellus)	75,000
Wolf Willow Institute for Systems Learning	684,670
Women Building Futures Society	275,000
	9,296,409

SUNCOR ENERGY FOUNDATION
SCHEDULE B
DONATIONS TO INDIGENOUS ORGANIZATIONS TO DECEMBER 31, 2023
(unaudited)
(stated in Canadian dollars)

Actua	750,000
Arctic Inspiration Prize Charitable Trust	300,000
Aurora College	77,500
Bridges Social Development	200,000
Calgary Public Library Foundation	400,000
Canadian Roots Exchange	200,000
Fondation de la radio communautaires du Canada	200,000
First Light St Johns Friendship Centre	80,000
Indspire	575,000
Junior Achievement of Southern Alberta	25,000
Keyano College	206,000
Makeway Charitable Society	350,000
National Indian Brotherhood Trust Fund	250,000
Northern Alberta Institute of Technology	250,000
Raven Indigenous Impact Foundation	400,000
Reconciliation Canada - A New Way Forward Society	375,000
Red Sky Performance	125,000
Right To Play International	100,000
Simon Fraser University	250,000
United College (St. Paul's University College)	230,000
The University of Alberta	250,000
Trent University	248,402
Vancouver Island University Foundation	86,680
Youth Fusion	100,000
	6,028,582

SUNCOR ENERGY FOUNDATION
SCHEDULE C
DONATIONS TO ENERGY ORGANIZATIONS TO DECEMBER 31, 2023
(unaudited)
(stated in Canadian dollars)

Academy for Sustainable Innovation Canada	125,000
Alberta Council for Environmental Education	150,000
Alberta EcoTrust Foundation	450,000
Clean Economy Fund	200,000
Foundation for Environmental Stewardship	650,000
Green Learning Canada Foundation	150,000
Inside Education Society of Alberta	77,500
Municipality of Crowsnest Pass	27,737
Ottawa Community Foundation - Indigeous Clean Energy	150,000
Ottawa Peace and Environment Resource Centre	100,000
QUEST - Quality Urban Energy Systems of Tomorrow	400,000
SeedChange Foundation / Fondation Sème l'avenir	100,000
Student Energy	550,000
The Natural Step (Canada) Inc	500,000
The Pollution Probe Foundation	176,366
The Resilience Institute (previously The Rockies Institute)	150,000
The Sheridan College Institute of Technology and Advanced Learning	100,000
University of Regina	193,125
University of Saskatchewan	250,000
	4,499,728

SUNCOR ENERGY FOUNDATION

SCHEDULE D

DONATIONS TO SUNCARES ORGANIZATIONS TO DECEMBER 31, 2023

(unaudited)

(stated in Canadian dollars)

Awo Taan Healing Lodge Society	7,000
Canadian Online Giving Foundation	2,407,034
Girl Guides of Canada, Alberta Council	20,000.00
St. Aidan's House Society	15,000.00
Stardale Women's Group Incorporated	6,000.00
The Canadian Mental Health Association, Alberta North East Region	5,000.00
Ukrainian Catholic Education Foundation	20,000.00
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	2,480,034

SUNCOR ENERGY FOUNDATION**SCHEDULE E****DONATIONS TO COMMUNITY PRESENCE ORGANIZATIONS TO DECEMBER 31, 2023***(unaudited)**(Stated in Canadian dollars)*

Aamjiwnaang First Nation	10,000
Canadian Mental Health Association	4,000
Canadian Red Cross / Croix-Rouge Canadienne	90,000
Community Foundation of Northwestern Alberta	60,000
Hull Services	5,000
Junior Achievement of Newfoundland and Labrador	25,000
Lieutenant Governor of Alberta Arts Awards Foundation	15,000
Multicultural Association of Wood Buffalo	50,000
Reconciliation Canada - A New Way Forward Society	5,000
Regional Municipality of Wood Buffalo Library Board	50,000
The Lambton College Foundation	100,000
The Montreal Children's Hospital Foundation	5,000
The Mustard Seed Foundation	20,000
United Way of Fort McMurray	85,000
Wood Buffalo Community Foundation	50,000
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	574,000

**SUNCOR ENERGY FOUNDATION
SCHEDULE F
DONATIONS TO SUNCOR ENERGY FOUNDATION PROGRAM ORGANIZATIONS TO
DECEMBER 31, 2023**

(unaudited)

(Stated in Canadian dollars)

Suncor Energy Foundation pandemic support donations (Various)	832,234
Actua	1,500
Alberta Council for Environmental Education	1,500
Alberta EcoTrust Foundation	1,750
Ashoka Canada	1,500
Black Opportunity Fund	1,500
Bow Valley College	1,500
Bridges Social Development	1,500
Calgary Public Library Foundation	1,500
Canadian Roots Exchange	1,500
Capacity Canada	1,500
Careers: The Next Generation	45,092
Cercle Sacré Anishinabe Sacred Circle	1,500
Community Foundations of Canada	1,500
Compassion House Foundation	89,877
Evergreen	1,500
Fusion Jeunesse / Youth Fusion	1,500
Indspire	1,500
Inside Education Society of Alberta	1,500
Keyano College	1,500
Mount Royal University Foundation	1,500
Ottawa Community Foundation / Fondation Communautaire d'Ottawa	46,012
Penny Appeal Canada	250
Philanthropic Foundations Canada	1,500
Quest - Quality Urban Energy Systems of Tomorrow	1,500
Raven Indigenous Impact Foundation	250
Right To Play	1,500
Skipping Stone Scholarship Foundation	250
Social Innovation Canada	3,000
St. Leonard's Community Services Inc.	250
Student Energy	53,034
Tamarack Institute for Community Engagement	1,750
The Association of Volunteer Centres and Volunteer Engaging Organizations of Alberta	1,500
The Banff Centre	1,500

Continued next page

**SUNCOR ENERGY FOUNDATION
SCHEDULE F
DONATIONS TO SUNCOR ENERGY FOUNDATION PROGRAM ORGANIZATIONS TO
DECEMBER 31, 2023**

(unaudited)

(Stated in Canadian dollars)

Continued

The Calgary Foundation	18,985
The Mohawk College Foundation	1,500
The Natural Step (Canada) Inc	1,500
The Pollution Probe Foundation	2,000
The Resilience Institute	1,500
Toronto Association of Neighbourhood Services	1,500
Two Wheel View - Calgary Ltd.	250
Wolf Willow Institute For Systems Learning	2,000
Wood Buffalo Community Foundation	1,500
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	1,137,484
