

SUNCOR ENERGY FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

(stated in Canadian dollars)



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INDEPENDENT AUDITORS' 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, 2021
- 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, 2021, and its results of operations and its cash flows for the 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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 the 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Entity's 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 Accountant

Calgary, Canada
March 29, 2022

SUNCOR ENERGY FOUNDATION
STATEMENTS OF FINANCIAL POSITION

(stated in Canadian dollars)

As at December 31	Note	2021	2020
Assets			
Cash		16,816,996	11,705,767
Receivable from Suncor Energy Inc.		92	147
GST and other receivable		9,800	7,710
Total assets		16,826,888	11,713,624
Liabilities			
Payable to Suncor Energy Services Inc.	6	86,348	57,457
Total liabilities		86,348	57,457
Net assets			
Unrestricted net assets		5,340,540	2,256,167
Internally restricted - reserve fund	4	11,400,000	9,400,000
		16,740,540	11,656,167
Total liabilities and net assets		16,826,888	11,713,624

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  C85D3849F246443...

Member  E3E4BF32504848E...

SUNCOR ENERGY FOUNDATION
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

(stated in Canadian dollars)

For the year ended December 31	Note	2021	2020
Revenue			
Contributions	6	24,000,000	19,000,000
Interest income		101,829	167,634
Total revenue		24,101,829	19,167,634
Donations			
Community Resilience		7,922,378	7,151,751
Indigenous Peoples		3,617,892	3,929,780
Energy Future		1,774,896	1,880,000
SunCares		3,210,587	3,676,438
Community Presence		1,178,327	750,000
Suncor Energy Foundation Programs		252,000	250,000
Total donations		17,956,080	17,637,969
Administration expenses			
Salaries and benefits	6	866,377	838,687
Event projects		35,531	47,126
Professional services		61,478	59,328
Rentals - office space and furniture	6	80,872	104,924
Travel		407	2,979
Miscellaneous		16,711	8,681
Communications		-	11,500
Total administration expenses		1,061,376	1,073,225
Total expenditures		19,017,456	18,711,194
Excess of revenues over expenditures		5,084,373	456,440
Net assets - beginning of year		11,656,167	11,199,727
Net assets - end of year		16,740,540	11,656,167

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	2021	2020
Operating activities			
Excess of revenues over expenditures		5,084,373	456,440
Net change in non-cash working capital	7	26,856	(4,954)
Cash flow provided by operating activities		5,111,229	451,486
Cash - beginning of year		11,705,767	11,254,281
Cash - end of year		16,816,996	11,705,767

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, 2021**

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 Resilience, Energy Future, Indigenous Peoples, 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.

On January 30, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) outbreak a Public Health Emergency of International Concern and, on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. These measures have and may continue to have significant disruption to business operations and a significant increase in economic uncertainty, with reduced demand for commodities leading to volatile prices and currency exchange rates, and a decline in long-term interest rates. The Foundation cannot reasonably estimate the length or severity of this pandemic but continues to monitor its impact on our operations.

While COVID-19 continues to present a challenging economic environment, there is no significant adverse financial impact to the Foundation to date. Management has been closely monitoring its financial results. As at the reporting date, the Foundation's exposure to credit and liquidity risk remains largely unchanged.

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.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

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.

Donated 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.

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 measured at amortized cost include accounts payable and accrued liabilities and payable to Suncor Energy Services Inc.

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.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

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. There has been no change to the risk exposure from 2020, except those related to COVID-19 (note 2).

4. Internally Restricted – Reserve Fund

A reserve of \$11,400,000 (2020 - \$9,400,000) 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, 2021 are as follows:

	Pledged Donations
2022	11,067,201
2023	3,650,000
2024	-
2025	-
	14,717,201

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 \$50,000 and evaluates the performance of the contributions made. During 2021, Suncor contributed a total of \$24.0 million to the Foundation (2020 - \$19 million).

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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:

	2021	2020
Salaries and benefits	864,136	838,414
Rentals - office space and furniture	80,872	104,924
	945,008	943,339

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

	2021	2020
Receivable from Suncor Energy Inc.	55	27
GST and other receivable	(2,090)	(865)
Payable to Suncor Energy Services Inc.	28,891	(4,116)
	26,856	(4,954)

SUNCOR ENERGY FOUNDATION**SCHEDULE A****DONATIONS TO COMMUNITY RESILIENCE ORGANIZATIONS TO DECEMBER 31, 2021***(unaudited)**(stated in Canadian dollars)*

Ashoka Canada	425,000
Black Opportunity Fund	100,000
Calgary Chamber of Voluntary Organizations	75,000
Canadian Urban Institute	50,000
Capacity Canada	100,000
Centre For Social Innovation	150,000
Evergreen	350,000
Foundations for Black Communities (c/o The Calgary Foundation)	100,000
Fusesocial Wood Buffalo Society	1,050,000
Imagine Canada	140,000
Jane/Finch Community and Family Centre	99,858
Mars Discovery District	150,000
Memorial University of Newfoundland	250,000
Mount Royal University Foundation	347,520
Royal Conservatory of Music	300,000
The Association of Volunteer Centres and Volunteer Engaging Organizations	235,000
The Banff Centre	2,250,000
The Georgian College of Applied Arts and Technology	250,000
The Tamarack Institute for Community Engagement	400,000
The United Way of Fort McMurray	75,000
The University of Alberta	250,000
Toronto Association of Neighbourhood Services	50,000
Vivo for Healthier Generations	100,000
Volunteer Centre of Calgary	50,000
Women Building Futures Society	275,000
Wood Buffalo Community Foundation	300,000
	7,922,378

SUNCOR ENERGY FOUNDATION**SCHEDULE B****DONATIONS TO INDIGENOUS PEOPLES ORGANIZATIONS TO DECEMBER 31, 2021***(unaudited)**(stated in Canadian dollars)*

Actua	400,000
Alberta University of The Arts	50,000
Bow Valley College	125,000
Bridges Social Development	200,000
Calgary Public Library Foundation	400,000
Canadian Roots Exchange	47,000
Community Foundations of Canada	300,000
First Light St Johns Friendship Centre	66,360
Governors of the University of Calgary	50,000
Indspire	575,000
Makeway Charitable Society	350,000
Reconciliation Canada	750,000
Right To Play International	100,000
The Mohawk College Foundation	204,532

3,617,892

SUNCOR ENERGY FOUNDATION**SCHEDULE C****DONATIONS TO ENERGY FUTURE ORGANIZATIONS TO DECEMBER 31, 2021***(unaudited)**(stated in Canadian dollars)*

Academy for Sustainable Innovation Canada	100,000
Alberta Council for Environmental Education	125,000
Alberta Ecotrust Foundation	50,000
Clean Economy Fund	25,000
Green Learning Canada Foundation	49,896
Inside Education Society of Alberta	40,000
Learning For A Sustainable Future	60,000
Ottawa Community Foundation	120,000
Student Energy	125,000
The Pollution Probe Foundation	160,000
The Natural Step (Canada) Inc	500,000
The Rockies Institute Ltd.	150,000
University of Saskatchewan	220,000
University of Western Ontario, Richard Ivey School of Business	50,000
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	1,774,896

SUNCOR ENERGY FOUNDATION

SCHEDULE D

DONATIONS TO SUNCARES ORGANIZATIONS TO DECEMBER 31, 2021

(unaudited)

(stated in Canadian dollars)

Calgary Quest Children's Society	20,000
Canadian Online Giving Foundation	3,150,587
Fort York Food Bank	20,000
Markaz-ul-Islam Congregation of Fort McMurray	5,000
The Citizens' Foundation, Canada	7,500
Wood Buffalo Food Bank Association	7,500
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	3,210,587

SUNCOR ENERGY FOUNDATION**SCHEDULE E****DONATIONS TO COMMUNITY PRESENCE ORGANIZATIONS TO DECEMBER 31, 2021***(unaudited)**(Stated in Canadian dollars)*

Action Secours Vie D'Espoir	5,500
Beakerhead Creative Society	200,000
Carrefour Familial Les Pitchou	1,000
Centraide du Grande Montréal	61,899
Centre d'Aide et de Developpement de la Famille de l'Est de Montreal	1,000
Cuisine Collective A Toute Vapeur	10,500
Indspire	25,000
Je Reussis	5,000
Junior Achievement of Newfoundland and Labrador	25,000
Kerry's Place Autism Services	9,000
Linking Generations Society of Alberta	6,500
La Maison Dalauze	1,000
Multicultural Association of Wood Buffalo	50,000
Northern Lights Regional Health Foundation	200,000
Regional Municipality of Wood Buffalo Library Board	50,000
The Catholic Children's Aid Foundation	1,000
The Riverwood Conservancy	85,000
United Way Halton & Hamilton	7,122
United Way of Calgary and Area	51,593
United Way of Fort McMurray	71,033
United Way of Greater Toronto	125,930
United Way of Newfoundland & Labrador Inc	28,294
United Way of Sarnia-Lambton	13,208
United Way of The Alberta Capital Region	25,279
United Way of The Lower Mainland	10,892
United Way of Winnipeg	2,577
Yess (Youth Empowerment & Support Services)	20,000
Youth Fusion/Fusion Jeunesse	85,000
	1,178,327

**SUNCOR ENERGY FOUNDATION
SCHEDULE F
DONATIONS TO SUNCOR ENERGY FOUNDATION PROGRAM ORGANIZATIONS TO
DECEMBER 31, 2021**

(unaudited)

(Stated in Canadian dollars)

Alberta Council of Women's	250
Banff Canmore Community	250
Bridges Social Development	250
Community Foundations of Canada	250,000
Reconciliation Canada	250
Some Other Solutions Society	250
Hamilton's Young Womens	250
Wyndam House	250
Association of Volunteer Organizations	250
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	252,000
