

SUNCOR ENERGY FOUNDATION

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
THEREON

FOR THE YEAR ENDED DECEMBER 31, 2022
(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, 2022
- 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, 2022, 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 "**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 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.

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'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 Accountants

Calgary, Canada

March 21, 2023

SUNCOR ENERGY FOUNDATION
STATEMENTS OF FINANCIAL POSITION


(stated in Canadian dollars)

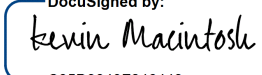
As at December 31	Note	2022	2021
Assets			
Cash		22,288,964	16,816,996
Receivable from Suncor Energy Inc.		-	92
GST and other receivable		156,823	9,800
Total assets		22,445,787	16,826,888
Payable to Suncor Energy Services Inc.		97,188	86,348
Payable to Suncor Energy Inc.		18,347	-
Accounts payable and accrued liabilities		201,800	-
		317,335	86,348
Unrestricted net assets		4,728,452	5,340,540
Internally restricted - reserve fund	4	17,400,000	11,400,000
		22,128,452	16,740,540
Total liabilities and net assets		22,445,787	16,826,888

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	2022	2021
Revenue			
Contributions	6	24,000,000	24,000,000
Interest income		422,118	101,829
Total revenue		24,422,118	24,101,829
Donations			
Community		6,919,367	7,922,378
Indigenous		4,304,602	3,617,892
Energy		2,735,140	1,774,896
SunCares		2,729,951	3,210,587
Community Presence		1,140,000	1,178,327
Suncor Energy Foundation Programs		1,250	252,000
Total donations		17,830,310	17,956,080
Administration expenses			
Salaries and benefits	6	766,612	866,377
Event and programs		272,861	35,531
Professional services		50,531	61,478
Rentals - office space and furniture	6	68,909	80,872
Travel		18,399	407
Miscellaneous		26,584	16,711
Total administration expenses		1,203,896	1,061,376
Total expenditures		19,034,206	19,017,456
Excess of revenues over expenditures		5,387,912	5,084,373
Net assets - beginning of year		16,740,540	11,656,167
Net assets - end of year		22,128,452	16,740,540

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	2022	2021
Operating activities			
Excess of revenues over expenditures		5,387,912	5,084,373
Net change in non-cash working capital	7	84,056	26,856
Cash flow provided by operating activities		5,471,968	5,111,229
Cash - beginning of year		16,816,996	11,705,767
Cash - end of year		22,288,964	16,816,996

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, 2022**

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.

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, 2022**

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 payables to Suncor Energy Services Inc. and Suncor Energy 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.

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 2021.

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

4. Internally Restricted – Reserve Fund

A reserve of \$17,400,000 (2021 - \$11,400,000) 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, 2022 are as follows:

	Pledged Donations
2023	10,781,691
2024	1,756,565
2025	1,290,668
2026	250,000
	14,078,924

*Note this report includes 2022 commitments

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 2022, Suncor contributed a total of \$24.0 million to the Foundation (2021 - \$24 million).

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:

	2022	2021
Salaries and benefits	766,101	864,136
Rentals - office space and furniture	68,909	80,872
Other ⁽¹⁾	88,674	-
	923,684	945,008

⁽¹⁾ Other mainly represents SEF seminar held in December 2022

**SUNCOR ENERGY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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:

	2022	2021
GST and other receivable	(147,023)	(2,090)
Payable to Suncor Energy Services Inc.	10,840	28,891
Payable to Suncor Energy Inc.	18,439	-
Receivable from Suncor Energy Inc.	-	55
Accounts payable and accrued liabilities	201,800	-
	84,056	26,856

SUNCOR ENERGY FOUNDATION
SCHEDULE A
DONATIONS TO COMMUNITY ORGANIZATIONS TO DECEMBER 31, 2022
(unaudited)
(stated in Canadian dollars)

Action Dignity Society	100,000
Agora Foundation	66,000
Ashoka Canada	400,000
Black Opportunity Fund	200,000
Calgary Chamber of Voluntary Organizations	100,000
Capacity Canada	200,000
Centre For Social Innovation	150,000
Evergreen	300,000
Imagine Canada	140,000
Jane/Finch Community and Family Centre	50,000
Mars Discovery District	250,000
Mount Royal University Foundation	126,249
Philanthropic Foundations Canada	10,000
Royal Conservatory of Music	200,000
The Association of Volunteer Centres and Volunteer Engaging Organizations	235,000
The Banff Centre	2,350,000
The Calgary Foundation	750,000
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
Vancouver Island University Foundation	69,600
Volunteer Centre of Calgary (Operating as Propellus)	75,000
Women Building Futures Society	275,000
Wood Buffalo Community Foundation	200,000
	6,919,367

SUNCOR ENERGY FOUNDATION
SCHEDULE B
DONATIONS TO INDIGENOUS ORGANIZATIONS TO DECEMBER 31, 2022
(unaudited)
(stated in Canadian dollars)

Actua	400,000
Bow Valley College	125,000
Bridges Social Development	200,000
Calgary Public Library Foundation	400,000
Canadian Roots Exchange	200,000
First Light St Johns Friendship Centre	68,360
First Nations University of Canada Inc	249,990
Indspire	575,000
Makeway Charitable Society	350,000
Norquest College	240,103
Reconciliation Canada	375,000
Red Sky Performance	125,000
Right To Play International	100,000
St. Paul's University College	232,747
The Lambton College Foundation	150,000
The University of Alberta	220,000
Trent University	198,402
Youth Fusion	95,000
	4,304,602

SUNCOR ENERGY FOUNDATION
SCHEDULE C
DONATIONS TO ENERGY ORGANIZATIONS TO DECEMBER 31, 2022
(unaudited)
(stated in Canadian dollars)

Academy for Sustainable Innovation Canada	125,000
Alberta Council for Environmental Education	100,000
Alberta Ecotrust Foundation	100,000
Bridges Social Development	180,000
Centre for Social Innovation Institute	230,000
Green Learning Canada Foundation	100,000
Inside Education Society of Alberta	40,000
Municipality of Crowsnest Pass	44,526
Ottawa Community Foundation	150,250
Student Energy	150,000
The Governors of The University of Calgary	100,000
The Mohawk College Foundation	249,029
The Natural Step (Canada) Inc	500,000
The Pollution Probe Foundation	26,910
The Resilience Institute	150,000
The Sheridan College Institute of Technology and Advanced Learning	75,000
University of Regina	165,000
University of Saskatchewan	249,425
	2,735,140

SUNCOR ENERGY FOUNDATION

SCHEDULE D

DONATIONS TO SUNCARES ORGANIZATIONS TO DECEMBER 31, 2022

(unaudited)

(stated in Canadian dollars)

Canadian International Immigrant and Refugee Support Association	10,000
Canadian Online Giving Foundation	2,669,951
Gethsemane International Assembly Wood Buffalo	10,000
Markaz-ul-Islam Congregation of Fort McMurray	12,000
Multi Generational Housing and Community Centre	10,000
Islamic Relief - Ir Canada	5,000
The Fort McMurray Boys & Girls Club	6,000
Waypoints Community Services Association	7,000

2,729,951

SUNCOR ENERGY FOUNDATION**SCHEDULE E****DONATIONS TO COMMUNITY PRESENCE ORGANIZATIONS TO DECEMBER 31, 2022***(unaudited)**(Stated in Canadian dollars)*

Bissell Centre	20,000
Bluewater Health Foundation	10,000
Boys and Girls Club of Strathcona County	10,000
Calgary Health Foundation	75,000
Canadian Red Cross / Croix-Rouge Canadienne	36,000
Centre of Hope Non-Profit Society of Fort McMurray	20,000
Community Sector Council of Newfoundland and Labrador Inc	50,000
Diversity Ed. - Safer Spaces Canada	10,000
Edmonton's Food Bank (Edmonton Gleaners Association)	10,000
Francis Winspear Centre for Music	10,000
Jerry Forbes Centre Foundation	20,000
Junior Achievement of Newfoundland and Labrador	25,000
Keyano College	200,000
Lambton Kent District School Board	10,000
Multicultural Association of Wood Buffalo	50,000
Northern Lights Regional Health Foundation	200,000
Pathways Health Centre for Children	10,000
Reconciliation Canada - A New Way Forward Society	5,000
Regional Municipality of Wood Buffalo Library Board	50,000
Sarnia-Lambton "Rebound" - A Program for Youth	10,000
The Community Food Sharing Association Inc	60,000
The Inn of the Good Shepherd (Sarnia) Inc	10,000
The Mustard Seed Foundation	5,000
The Riverwood Conservancy	170,000
The Salvation Army Newfoundland & Labrador Division	54,000
Wood Buffalo Community Foundation	10,000
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	1,140,000

**SUNCOR ENERGY FOUNDATION
SCHEDULE F
DONATIONS TO SUNCOR ENERGY FOUNDATION PROGRAM ORGANIZATIONS TO
DECEMBER 31, 2022**

(unaudited)

(Stated in Canadian dollars)

Banff Canmore Community	250
Bridges Social Development	500
Indian Residential School Survivors Society	250
Red Sky Performance	250
	<hr/>
	1,250
