

## Suncor

### Background

Suncor Energy Inc. is a growing integrated Canadian energy company with assets of \$2.8 billion, production of approximately 120,000 barrels of oil-equivalent per day, and refined product sales of 85,000 barrels per day. The company has over 2,400 employees and has been active in Canada for over 75 years.

In Fort McMurray, Alberta, Suncor's Oil Sands business mines and upgrades oil sands and markets refinery feedstocks and transportation fuels. In 1996, average Oil Sands production was 77,600 barrels per day. Production is expected to increase to 210,000 barrels by 2002. The Sunoco division produces and retails gasoline and other refined products.

### Environmental Issues

Addressing company-wide emissions of greenhouse gases (GHG) is Suncor's principal environmental issue. Suncor's oil sands operations account for about 70 percent of the company's overall GHG emissions. Local and regional air quality, along with reclamation, are other important environmental issues for Suncor.

### Voluntary and Non-Regulatory Initiatives (VNRI's)

Suncor's voluntary efforts related to climate change and its emphasis on sustainable development, EHS management systems and performance extend far beyond mandated requirements. This is driven by:

- a stated vision of the company which is to be a sustainable energy company. This vision and related strategies have created a drive to explore all aspects of sustainable development and what it means for its business over the near and long term. There is an explicit recognition that the company will be successful to the extent that it meets or exceeds the economic, environmental and social expectations of its various stakeholders including customers, shareholders, communities, interest groups and the general public.
- a desire to manage risks to its business proactively through prudent investments in VNRI's. The management plan to address the risk of climate change is an example of this driver. Early voluntary action on climate change will enable Suncor to achieve least cost solutions over the longer term, to learn new competencies and to influence public policy through action.

Suncor has undertaken a broad range of initiatives, some closely related to regulatory requirements, to improve environmental performance, primarily regarding air quality and GHG emissions.

Suncor's participation in Canada's Voluntary Challenge and Registry program is the principal VNRI for the purposes of this case. Suncor's goal is to achieve stabilization of greenhouse gas emissions at 1990 levels by the year 2000 despite production increases of 64 percent over the same time period. As of the end of 1997 the company is on track to achieve its goal, with current emissions being