

LEADERSHIP ROUNDTABLE SERIES



LEADERSHIP ROUNDTABLE SESSION – NOVEMBER 25 Q&A with Mark Little, President & CEO, Suncor Energy

Q: What are you doing with your senior leaders to help embed your new purpose and values, while balancing the current focus on cost management?

A: We ask our leaders to help embed our purpose and values by bringing clarity and focus, building a respectful and inclusive environment, and enabling and inspiring others. We meet regularly with our senior leaders and have frank and open discussions about these expectations to ensure that we don't lose focus on our purpose and values while making decisions that will change the way we operate now and in the future.

We have also anchored a lot of our broader communications to our purpose to explain various positions and actions we have taken. We have done this to reinforce our purpose and help people understand how it ties to what we do. COVID has created so many unexpected and unusual situations that our purpose has been a guiding light through this journey.

Q: What have been the key learnings on how to evolve your culture? What is your vision around what you want the culture to be? What is the role of leader in this change and how are you supporting them with this change?

A: We are transforming the company to become purpose driven, people focused, data-informed and technology enabled. To achieve this, our culture must inspire all employees to bring their best self every day. We need to be open to new ideas and collaborate in new and exciting ways; share information; make decisions using data, technology and team expertise; develop people through regular feedback, recognition and coaching; and learn and adapt using our commitment to operational excellence and innovation to shift how we work. This kind of culture is built on a foundation of trust and reflected in every interaction between employees, leaders, peers, and stakeholders.

Leaders play an important role in transforming our culture. We expect them to bring clarity and focus to our organization ensuring our employees understand the priorities ahead of us; create a respectful and inclusive environment where diverse perspectives are valued; and enable and inspire others so we are all moving together toward our transformation ambition.

In addition, we ask leaders to model the behaviours of our culture. For example, encouraging senior leaders to share their mistakes – and learnings. Modeling vulnerability and a learning mindset helps build a more honest and trusting organization.

Finally, we are using the Great Place to Work methodology to help us measure how leaders are doing in modelling these behaviors and leading their teams. We have found this very useful as it has provided some surprising insights that we have been able to action.

Q: We know that women have taken the brunt of the impact of the economic downturn. They have lost the most jobs, and with the lack of daycare many have ended up quitting to be able to look after their children. What is your company doing to support your female workers to stay at work or return to work?

A: Flexibility, acknowledgement, understanding and empathy. That's how I'd sum up our approach to supporting all employees.

We've made sure that leaders continue to check in with their employees, to consider individual and family circumstances, and to provide flexibility as needed based on those individual needs. For example, we know that work hours may need to be different because of childcare considerations. In the summer when we started to return to the workplace, we understood that coming back to the office five days a week wasn't feasible for some people.

It's obviously more challenging for our essential workforce, where they have a rigid work schedule and a fixed work location, but we have been able to work with some employees on a case by case basis. Everyone is going through the same thing, but at the same time, have different challenges.

Finally, as part of our downsizing that is underway, we are monitoring diversity as people are selected to leave the organization to ensure we don't unconsciously take a step backwards in our diversity journey.

Q: Both guests (Mark Little and John Ferguson, President & CEO, Purolator) have mentioned the importance of having a people first focus. That's wonderful, but it's not easy to do. What's the biggest challenge they've faced in order to maintain this focus? How do they keep it a priority?

The biggest challenge has been ensuring people understand what having a people first focus means. When we shared that we would reduce our workforce by up to 15% over the next 12-18 months, some employees believed that was at odds with being people focused. Being people focused doesn't mean we won't make tough but necessary business decisions that impact people. It does mean that we will consider the people impacts of business decisions and technology implementation; be transparent with employees; treat people with respect; help employees learn, grow and adapt; and provide our workforce with the tools they need to be successful.

Q: It was great to hear Mark talk about Suncor's COVID-19 response. I'd also love to hear his take on where the energy industry is going. Has the pandemic accelerated the transition to low-carbon energy sources, or has it impeded it? And how does he see the future unfolding in the next ten years?

COVID reinforced that energy is a critical resource for the country and that Canada's energy industry will continue to be important to all Canadians.

The industry was already talking about energy transition – so I don't know if I'd say COVID accelerated the transition, but I would say it perhaps made it clear to more and more Canadians about the tremendous opportunity we have in front of us. I also believe that it gave people a sense of how challenging this will be to get our countries GHG emissions to net zero, when we took an enormous number of vehicles off the road and it didn't have a huge impact on our countries GHG emissions. Talking about net-zero is fairly straight forward but achieving it will be an enormous challenge.

It also meant that we had to stop some investments that would materially reduce our GHG emissions. We were in the process of changing our fuel source in oil sands from petroleum coke to a very efficient natural gas fired cogen and building a wind farm. Both of these investments were parked for a period of time to keep our company financially strong, delaying emission reductions.

In terms of the future for the energy industry – I'm optimistic that the Canadian energy industry is up to the challenge and best positioned to invest in and lead energy transformation. In fact, the oil and gas industry is one of the largest markets for, and investor in, clean technology in Canada.

Challenges faced by the sector, combined with an entrepreneurial culture and the motivation to thrive in tomorrow's low-carbon economy provides a wealth of opportunity for clean technology investment by the sector. But one thing is for sure – to achieve net-zero will require substantial support and cooperation between provinces, the federal government, industries, our indigenous populations, our company and citizens across the country.

Q: How have they retained culture with people working remotely?

A: Like other organizations, we used technology and online tools to enable team communication and connection – in our case Microsoft Teams and Yammer. We have increased how often we come together – albeit virtually – to stay connected, create forums for meaningful conversations on important topics such as inclusion and diversity, and provide clarity and direction to employees. And we've been creative! The other week, we hosted a company-wide virtual celebration of accomplishments across the company. This annual event is usually in-person, but by going virtual, more employees were able to participate – which is fantastic.

We also continued to support our communities and each other while we worked remotely. From supporting the federal government in procuring and distributing masks to remote communities, to helping Petro-Canada stations support their local communities, to coming together to support Fort McMurray during a 100-year flood, we continued to show up together with compassion – even if we were physically distanced! In my opinion there's no substitute for connecting in person but it really has been inspirational to see how our employee spirit – our purpose and values – continue to drive our behaviours even while we work remotely.

However, as time has gone on, it's clear that 100% remote work is tough for most of our employees. So, when it was safe, we started working to get everyone to show up in the office a couple of days per week (each person was scheduled). This helped people connect while also allowing us to keep the office population at approx. 30%. Ideally, we think that the office of the future will have many of our employees working in the office approximately 3 days per week and 2 days at home. This might allow us to create a future that is better than our past.

Q: With the impacts that COVID has had on the mental health of people, have you taken specific steps during these times to help support the mental health of your employees?

A: While continually encouraging employees to take advantage of the resources and programs available for them and their families, we have bolstered that support in several ways. We have increased the number of counselling sessions and also made them available to contractors during the COVID crisis; hosted regular webcasts with our mental health specialists and other experts; increased leaders' awareness of the impacts of mental health and what they can do to support their teams; and partnered with YW Calgary on a program called Mindfulness, to help employees develop day-to-day skills to manage stress, emotions and conflict in the workplace.

Q: How do we as society deal with the technology transformation and the displacement of workers. Are we getting ahead of ourselves with respect to technology?

A: This is difficult. One of the reasons that digital technologies are so valuable is it helps us improve the utilization and productivity of the enormous amount of capital that has been invested in our society in the past. For that reason, I don't think that the pace of transformation is going to slow down.

New technology will change the nature of work for many people, but it will also create new opportunities to learn, grow and adapt. Our workforce of the future will require new skillsets and new capabilities. It will also require a different mindset - one committed to lifelong learning and an openness to innovation. We are excited about what technology can do for our business - and what it can do for our employees, giving them greater access to data and information, streamlining how they work, providing more opportunity to learn, to grow and to support the transformation of our business.

So as a country, we will need to grow our export markets and leverage our Canadian brand to grow jobs - including new areas like clean tech and digital innovation. This will also include growing our existing exports from Canada. I think that the global shift to ESG will be helpful to Canada as we have so many strong attributes, but it won't be easy.

Q: Both (Suncor and Purolator) of your organizations are Canadian owned and operated. How has your Canadian identity differentiated you from your competitors during the pandemic?

A: One of the things I was most impressed about during the early days of COVID was how as a nation we came together across governments and industries to address the challenge. It's remarkable the cooperation that comes through enormous adversity. I hope we continue to harness the power of working together and collaboration to address other challenges, like climate change and the need to transform the energy system.

Q: Both (Suncor and Purolator) companies have large unionized contingents. How have your unions supported or challenged your progress on culture and leadership during the last year?

A: We're fortunate to have good relationships with the unions and have their support for our efforts. We continue to develop our relationship by being open and transparent about the challenges and think about how we can work together to address these. Additionally, our union workforce is a large portion of our essential workers and they have been fabulous in keeping our assets running and ensuring that we

deliver energy to our society and customers through this entire period. So, our union workforce has been very supportive.

Q: Both John and Mark have touched on the topic of unleashing employee's full potential. What role is Inclusion and Diversity playing in your cultural evolution? (e.g. policies, practices, etc.)

A: We all know the business case for inclusion and diversity but without a deliberate focus on inclusion, organizations and society at large will never fully harness the power of diversity. At Suncor, our journey of inclusion and diversity are critical to our cultural evolution and ensuring that we unleash the full potential of our people.

We know we have work to do. To live up to our commitments, we're focused on:

- Building inclusive leadership skills as a core competency for all leaders.
- Fostering awareness, understanding and skills among all employees, to support a respectful and inclusive workplace through unconscious bias training, Indigenous awareness learning, Indigenous cultural learning experiences and cultural awareness workshops.
- Supporting employee involvement in employee networks and other initiatives. We have seven employee-led inclusion networks with more than 2,000 members. Employee inclusion networks address the needs of under-represented or specific groups, while encouraging active participation of all employees. Employee networks can contribute to a sense of belonging and community for members, foster greater awareness and build allies throughout the organization.
- Modifying our processes and policies to mitigate systemic bias and build a great place to work, including hiring, succession planning, and parental leaves.
- Collaborating with and learning from industry and community partners to foster inclusion and reduce employment barriers. We are corporate members of the Canadian Board Diversity Council; 30% Club of Canada; Canadian Centre for Diversity and Inclusion; Catalyst; Indigenous Works; and Pride at Work Canada.

Q: Can either speaker expand on their Mental Health assistance program and how it works with the significant remote working?

A: While continually encouraging employees to take advantage of the resources and programs available for them and their families, we have bolstered that support in several ways and ensured remote access to these services. We have increased the number of counselling sessions and also made them available to contractors during the COVID crisis; hosted regular webcasts with our mental health specialists and other experts; provided leader sessions to help increase awareness of the impacts of mental health and what leaders can do to support their teams; and partnered with YW Calgary on a program called Mindfulness, to help employees develop day-to-day skills to manage stress, emotions and conflict in the workplace.