

Strength to Deliver

Community Involvement

A 2008 – 2009 Feature Story

One section in Petro-Canada's Principles for Responsible Investment and Operations deals with "community participation."

In it, we outline a way of working that involves participating in local communities and ensuring a fair share of benefits to stakeholders affected by our activities.

This mandate is an enduring one. The principles stand, regardless of the economic environment or activities such as working through the proposed merger with Suncor Energy.

CONTINUING TO PLAY A STRONG ROLE IN THE FACE OF THE RECESSION

Petro-Canada has always been excited by the results that come from developing community partnerships. After all, with these strong results come strong communities – and everyone benefits from that.



As one example of community support activities, employees spent an afternoon working to protect a local beaver habitat.

While there have been dramatic changes in the economy in recent months, we remain committed to our community partners. We strive to connect community partnership programs to business needs, and because our programs are supported by a business case, they are more resilient and better able to weather economic ups and downs. Further, we do not link community support to the economic performance of the Company or the economy. We develop community support budgets with a long-term view, and try to take a "steady at the helm" approach to funding at levels that are appropriate to achieve our objectives regardless of the economic climate.

Below are a few examples of our ongoing activities.

Since creating the Petro-Canada Emerging Leaders Awards Program in 2007, now established at five post-secondary institutions in Canada with a combined investment of over \$4 million, we continue to offer awards annually to top students and we work closely with recipients to give them insight into our industry, along with mentoring and job placement opportunities. We also launched the Women Building Futures Petro-Canada Training Centre in Edmonton, Alberta (for \$1.5 million) to give women a leg up when considering a career in the trades workforce.

Petro-Canada has also continued to push forward with a unique spectrum of programs focused on water; in April 2009 we committed \$2 million to programs created jointly with three environmental non-governmental organizations.

Additionally, recognizing the current uncertainty will affect different regions in different ways, Petro-Canada continued to distribute funds and develop partnerships at grassroots levels. In each region or community where we operate, a local representative directs funding where it can have the biggest impact on the needs of those particular communities. These discretionary budgets remain intact. As a result, we have been able to continue supporting various food banks, developing youth programs, contributing to recreation facilities and so on.

Support for the Vancouver 2010 Olympic and Paralympic Winter Games also continues with enthusiasm (see page 11 for more information). We are looking forward to fuelling the Games in 2010.



Petro-Canada commissioned a 25-foot totem pole for the 2010 Olympic Games.

MERGED COMPANY TO HAVE LEADING SOCIAL RESPONSIBILITY PRACTICES

The economic conditions mentioned above are not the only dramatic change seen at Petro-Canada in recent months. On March 23, 2009, Petro-Canada and Suncor Energy announced plans to merge. As of the printing of this Report to the Community, we were waiting for regulatory approval, but when the merger is permitted to close, it will create the fifth largest energy company in North America.

Some may wonder what the merger means for community partnerships. Decisions at a detailed level have not yet been made, but early indications suggest the new company will be just as diligent about supporting our communities. Both companies have a history of being dedicated and enthusiastic community partners, and the value that Petro-Canada and Suncor have placed here in the past will carry over to the merged company.

Of course, there is more to both companies' social presence than community sponsorships.

Both Suncor and Petro-Canada are well-respected players when it comes to corporate responsibility, and have been recognized with various awards and rankings.

Just recently, Jantzi Research Inc. (a firm that assesses and rates corporations for socially responsible investors) stated that the two companies' values and leadership in this area are compatible. Jantzi indicated that Petro-Canada and Suncor have similar and/or complementary environmental, social and governance policies, which bodes well for strong environmental and social performance of the merged company. Jantzi also indicated the new company will likely benefit from Petro-Canada's past leadership on water issues and Suncor's leadership on GHG issues.

Jantzi was also involved in a recent ranking by Corporate Knights Inc. (an independent media company focused on reinforcing sustainable development). In their study of Aboriginal relations practices at companies from four sectors, Suncor came out on top and Petro-Canada was third.

In the end – or perhaps it is more accurate to say “in the new beginning” – the merged company will continue where its founders leave off: acting on a local level to engage stakeholders and continuing to make environmental improvements. The merged company has the potential to prove that the whole can be greater than the sum of its parts. And in the meantime, Petro-Canada will continue its own work in social responsibility, with the strength to deliver on the Company's ongoing commitments.