AN EVEN STRONGER PARTNERSHIP IN 2020

As we start a new year, I’d like to reflect on the successes we’ve had together as neighbours and partners in 2019. Syncrude and northern Alberta’s Indigenous communities have collaborated and worked together over many years to develop opportunities for business and employment, community development, and environmental initiatives and 2019 delivered another great year of making progress in these areas.

Last year was a very significant chapter for us as we marked a historic achievement of reaching a special production milestone of three billion barrels. Three billion barrels represent the highest production ever, from any oil field in Canada, making Syncrude the largest single source of crude oil in our country’s history.

This production hasn’t just put gas in vehicles and fuel in jets. Upgraded right here in Alberta, our high quality product has created jobs for the more than 24,000 people who have proudly called themselves Syncrude employees and the over 184,000 people who have worked with us since 1997 as Syncrude contractors.

A very significant part of Syncrude’s ongoing success is due to the robust relationships that we continually strive to maintain and enhance with local Indigenous communities. Strong partnerships grow stronger by staying connected, and that’s why over the last year I have actively engaged with you. By attending community and business meetings and joining in the celebration at community events, I was able to personally connect with people from across these communities. It also helped me to think about future opportunities to jointly consider with community leaders as we reviewed the progress of our existing partnerships and talked about the future.

For example, I attended the Business Showcase of the Northern Alberta Aboriginal Businesses Association in March, as well as their board of directors meeting in September. I was at a regular meeting of the McMurray Métis Local in March and at the commemoration of the signing of the Mildred Lake Extension Project Impact Benefit Agreement with the Mikisew Cree First Nation in Fort Chipewyan. In November, I had a wonderful time visiting our neighbours in Fort McKay as we celebrated the signing of a new agreement between Syncrude and Fort McKay First Nation along with the holiday season.

As we head into 2020, Syncrude will continue to work at renewing and enhancing our partnerships and common interests for the benefit of communities across the region. I would like to thank all of the communities that I have gotten to know better for making me feel welcomed and taking the time to connect with and get to know me. The year ahead looks very promising for Syncrude and I am personally looking forward to continuing to grow our longstanding relationships.

Doreen Cole
Managing Director
Indigenous stakeholders are hopeful Syncrude’s tailings management practices could become a game changer in the oil sands.

This, following several meetings and tours over the summer of the company’s demonstration water release project at Mildred Lake. Stakeholders, members and leaders of various communities in the Wood Buffalo region toured the project site to help them learn about the demonstration.

“This technology and the work being undertaken by Syncrude is going to change the face of tailings in our region,” says Nicole Bourque-Bouchier, CEO of the Bouchier Group. “We’re proud to provide Syncrude with a local perspective as we undertake all the construction work for the project.”

The Bouchier Group built the commercial water treatment pilot project which became operational last summer.

Members of Mikisew Cree First Nation had the chance to visit the project while members of Fort McKay First Nation, Fort Chipewyan Métis Local 125, Fort McKay Métis Local 63, Fort McMurray Métis Local 1935 and Fort McMurray First Nation #468 plans to do so this year.

Shirley Arthurs, a member of the Fort McMurray First Nation # 468, says she’s hopeful about the result of the project.

“Syncrude is trying very, very hard to put (water) back the way it was. Our people need the water. We live by the water and I don’t know if we’ll ever drink the water again but maybe we will. If the animals are living in it there must be something good about it.”

Behind the technology is 14 years of supporting research. The treatment principles behind this technology are similar to a home water filter using activated carbon. Mine water treated by petroleum coke technology removes suspended solids such as clay, hydrocarbons and dissolved organic compounds, including naphthenic acids.

Warren Zubot, Syncrude’s senior engineering associate, says it takes a lot of outside-the-box thinking to create something never before done in the oil sands.

“It is even more impressive to see solutions found for every challenge faced while we’ve scaled up this project,” he says

Warren and his team conducted initial tests of treated water following the completion of construction. They will resume testing and monitoring in the spring. The closed-circuit testing will provide additional insight confirming the quality of the treated water is safe for return to the Athabasca River.

Syncrude continues to work with the federal and provincial governments on monitoring programs as well as consulting with local communities. The release of treated water off the site is subject to regulatory approval.
HOPE SPRINGS FROM BASE MINE LAKE

Seeing up close the progress of Base Mine Lake demonstration brings a ray of hope for local community members. Last August, Syncrude opened a new walking trail, complete with new signage, at the northwest corner of the lake.

Shirlee MacDonald, a member of Fort McMurray #468 First Nation, was among the first group of folks to visit the site.

“It was such a nice day to visit this reclaimed area,” she says. “Seeing the plants and beautiful berries along the trail made me feel hopeful for the future of this place.”

More than 24 years ago, Syncrude began depositing fluid tailings in the mined-out west pit, adding later a mixture of process-affected and fresh water to form what’s now known as Base Mine Lake. The full-scale commercial demonstration was officially commissioned in late 2012.

A lot of work has gone into the project including a comprehensive monitoring and research program involving scientists who have been collecting data on the physical, chemical and biological components of the lake. As well, researchers are measuring key performance indicators as part of the work to identify whether the lake is meeting expected outcomes towards full reclamation or it will require intervention in the future.

Carla Wytrykush, an ecologist with Syncrude’s mine closure research team, works on the Base Mine Lake project.

“Some of the most rewarding work is when I’m taking members of Indigenous communities out on the land, walking around and talking to them about what they see and how they feel about it,” says Carla. “It stretches my science brain to consider my work from their different perspective. It motivates me to incorporate that perspective to make sure we end up in the right place with land we can hand back to local communities properly.”

The ecologist says patience is required when it comes to nature because it takes time to develop. “The key thing is that we continually monitor and make adjustments as needed to make sure it’s heading in the right direction,” she says.

As part of the process, the Alberta government will develop additional direction and performance criteria to support assessment of water-capped tailings technology. Backed by 40 years of experience and research on the technology, Syncrude experts look forward to participating in and supporting this work.
Syncrude is very committed to the communities in which our employees live and work.

In 2019, Syncrude was very active in the Wood Buffalo region. We participated and volunteered at local events and Indigenous events to connect with each Nation to provide updates and meeting opportunities with Syncrude’s Managing Director. The list of activities is long, but here’s a snapshot of several events where we were present.

National Indigenous People Day 2019

Hosted by the McMurray Métis Local 1935, the Indigenous Peoples Day proved to be an amazing event that brought together the community to enjoy a day full of fun activities. Children from various schools spent the entire day taking part in activities such as bouncy castle, barbecue, and live entertainment, among others. More than 20 vendors came and set up at the event showcasing different products and services.

McMurray Métis President Gail Gallup addressing the crowd.

VP Ken Bell, VP Kara Flynn and Community Relations Team Lead Lana Hill.

Managing Director Doreen Cole and Chipewyan Dene First Nation Chief Vern Janvier.

Mikisew Cree First Nation Treaty Days

The signing of Treaty 8 by the Mikisew Cree First Nation marked its 120th anniversary. To mark the milestone, the community held various activities such as hand games, jigging competitions, animal calls to name a few. Lana Hill, Syncrude’s Team Leader, Community Relations, and her brother were among those who participated in the event, which showcased the talents in the community.

Chipewyan Dene First Nation Leadership Meeting

Annually, Managing Director Doreen Cole meets with various First Nations and Métis Locals throughout the region.

The goal of each meeting is to ensure Syncrude effectively maintains long-term relationships with each Indigenous community to the best of our ability.

Our Indigenous Strategy is to focus on relationship to improve corporate leadership, community development throughout the region, capacity building, provide employment opportunities, support education and environmental programs and work to secure business with our Indigenous neighbours.
Reclamation Engagement Focus Group 2019

Local First Nations and Métis communities in Wood Buffalo have expressed their interest in being more involved in Syncrude’s reclamation. In 2017, Syncrude formed the Reclamation Engagement Focus Group (REFG) to gain better insight into local Traditional Environmental Knowledge (TEK) and to hear directly from people who are close to the land and the environment.

Syncrude invited two participants and traditional land users from each First Nation and Métis Local in the region. A group of Syncrude employees representing various departments- Integrated Planning, Community Relations, Operations and Research also participated.

Members of the Reclamation Engagement Focus Group and community Elders walked around the Golden Pond as part of one tour in 2019. Participants saw signs that beavers had been there making dams. They spotted tracks of moose and deer and other hints that animals had been visiting the area. Raspberries along with numerous summer blooms decorated the landscape while several frogs hopped around.

Syncrude has reclaimed areas and the company is working every day towards reclaiming more land with the assistance of community Elders. The Elders are a crucial part of this reclamation process because of the knowledge that they share with the company’s researchers. The Elders’ knowledge of the land gives Syncrude staff further insight on what plants and animals should be in the area and what shouldn’t.

“Everything is taken with the understanding you only take what is needed and you give back. It is important we leave the land the way we found it.”

Elder, Fort McMurray #469 First Nation
Syncrude operates in Treaty 8 and traditional Métis territory and is committed to productive, long-term and mutually beneficial relationships with local Indigenous communities. Relationships and interactions are based on our guiding principles of care, honesty and respect, as well as transparency and integrity.

We believe that stronger Indigenous communities mean a stronger, more successful Syncrude. We are committed to being a leader in fostering greater engagement and inclusion; and encouraging other businesses to do the same.

We acknowledge that each First Nations and Métis community in our region is unique. Syncrude will seek a shared understanding with our Indigenous neighbours as we work towards achieving support for our projects and meeting our commitments.

We respect the Canadian Constitution’s protection of Indigenous peoples’ rights in Canada and recognize their unique cultural perspectives, practices and knowledge. We understand the importance of Indigenous peoples’ connection to the environment and acknowledge that our operations and energy development have impacts on traditional land uses. We will seek to understand these uses and their cultural importance, and where reasonably possible to do so will mitigate identified impacts through leading environmental practices and sharing benefits such as employment, training and skills education, business, and community development.

We will work collaboratively with local First Nations and Métis communities to understand and respectfully integrate their perspectives and traditional ecological knowledge, or TEK, throughout the life cycle of our operations.

We will support socio-economic outcomes that enhance the quality of life of local First Nations and Métis communities upon whose traditional territories we operate. We will work collaboratively with the communities to define these outcomes, so they are inclusive of their needs and interests.

We will uphold mutual trust and understanding by actively seeking, and being responsive to, ideas, input and feedback.

We will maintain the terms of our agreements and work collaboratively to ensure effective and expected outcomes are achieved.

We will support capacity development so local First Nations and Métis communities can effectively participate in engagement and consultation processes.

We will foster greater understanding of Indigenous culture, history and traditions, and empower our employees to achieve excellence in Indigenous relations and engagement.

We fully comply with Canadian law, agreements and standards and will strive to achieve the intent of more progressive national and international protocols and principles such as the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission Calls to Action.

This Indigenous Relations Policy applies to, and establishes Syncrude’s expectations for, employees and those working on the company’s behalf.
Thousands of community members kicked off Christmas festivities at three holiday celebrations held in the region as Syncrude executives thanked everyone for another year of a strong partnership.

Santa Claus and Mrs. Claus graced the occasion, putting a smile on everyone’s faces, lifting their spirits and reminding them the importance of community and family gatherings.

Lana Hill, Syncrude’s Team Leader, Community Relations, says there’s a lot of work that goes into putting together the events but they’re always worth it.

“I just love seeing the smiles on the kids’ faces when they see Santa Claus and Mrs. Claus.”

She says people are always very appreciative that these gatherings are being held in their communities and people look forward to the event every year.

“It’s our opportunity to say ‘thank you’ and to be there not just when things go wrong. These people are our neighbours. They’re not just stakeholders, and we want to be part of their holiday season in some small manner.”

The community events took place in three communities – Fort McKay (Nov. 26), Fort Chipewyan (Nov. 27) and Fort McMurray (Nov. 28), where a total of more than 2,000 people attended. Each household received a turkey.

Community member Kyle Boostrom has been attending the events over the past couple of years and he did as well this year.

“It was nice, there were lots of people. It was a nice community feeling. There was good food. I enjoyed it. It’s honestly just a nice break for all of us to get together in the same place, and not just with the family but everybody in the community.”

The gathering definitely helped kick off the holiday spirit into gear says Kyle.

As the events winded down, Syncrude’s Community Relations team began logistical planning and organizing for the next one.
SYNCRUDE’S COMMUNITY RELATIONS UPDATE

MLX Hearing decision was released in July 2019

The Province of Alberta has approved Syncrude’s planned Mildred Lake Extension (MLX) in July 2019. The MLX project received broad support from key communities across the region, including Fort McKay First Nation, Mikisew Cree First Nation, Fort McMurray 486 First Nation, Chipewyan Prairie Dene First Nation, Fort McMurray Métis Local 1935 and Fort McKay Métis.

The regulatory process, which included a public hearing, took nearly seven years and countless contributions from employees across our entire company. They put their time and expertise into preparing the application, consulting with affected stakeholders and communities, and ensuring this project will minimize environmental impacts and maximize benefits to the local, provincial and Canadian economies.

There will be no new tailings facilities associated with this project, nor any new extraction or upgrading infrastructure. The only major construction required is a bridge across the MacKay River to allow heavy haulers to haul the resource to our existing facilities.

Lease 29 and Aurora drilling programs set to begin in 2020

The drilling programs in Lease 29/30 and Aurora are set to kick start early 2020. Prior to the program being underway, consultations were completed with First Nations and Métis Local within the Region.

MEET OUR INDIGENOUS RELATIONS TEAM:

Doug Webb, Business Liaison
Lana Hill, Engagement Team Lead
Jessica Lipton, Community Investment Specialist
Lisa Nelson, CR Rep- Engagement
Mel Boostrom, CR Specialist - Engagement
Tracey Stephen, CR Advisor - Consultation
Jennifer Gagnon, Talent & Development Manager
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Future

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