



## A Top Energy Stock to Own in 2021

### Description

**Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is working on reducing the greenhouse gas (GHG) emissions of the company's operations. Suncor is developing [next-generation processes](#) with 50-70% potential GHG reductions through solvents, non-aqueous extraction, upgrading innovations, and transformational technologies for power, steam, hydrogen and carbon capture, utilization, and storage. This will reduce emissions for Suncor's energy customers by providing lower carbon products.

### Advancing lower carbon fuels

Further, the company is working on [advancing lower carbon fuels](#) and electricity through strategic investments. Suncor has partnered with several companies on strategic investments and collaborations. Suncor is also working together with other oil and gas companies and is investing in global clean-tech venture capital funds and technology companies, including LanzaTech, LanzaJet Inc., Enkern Inc., and Evok Innovations.

In addition, Suncor is harnessing the digital transformation by using artificial intelligence, machine learning, advanced analytics, and remote sensing technologies to improve safety, reliability and sustainability. Suncor appears committed to ensuring that the company's workplaces are safe for everyone. Suncor investigates safety incidents extensively to understand the root cause and how the company can prevent such incidents from happening again. Suncor also periodically launches independent reviews of the company's mining safety practices.

### Safety stand-downs

Additionally, Suncor holds a series of safety stand-downs across the company to reinforce the company's attention on safe operations. Contractors make up a critical part of Suncor's workforce. Overall, Suncor is accelerating the company's digital transition, which will help drive the safety and reliability of the company's operations.

Also, Suncor believes that a more digitally enabled environment means improved safety, higher quality,

and better-informed decisions. This could lead to increased transparency, collaboration, efficiency, and improvements to Suncor's overall cost structure. Adoption of digital technologies like SAP (Systems, Applications, and Products) and autonomous haul systems make Suncor more effective and also require fewer people.

## Improving cost structure

While the program to improve Suncor's cost structure is already underway, the company has accelerated this work and expects associated workforce reductions of 10-15% by mid-2022. Despite these difficult changes, Suncor believes these are necessary to be sustainable and competitive over the long term.

Furthermore, Suncor is applying advanced analytics and drones to identify opportunities to reduce worker exposure to hazardous tasks and improve operations and project outcomes. The agility of Suncor's physically integrated business model, which allows it to be nimble in responding to market conditions, positions it strongly. Suncor continues to focus on the company's value over volume approach through the integration of Suncor's upstream and downstream production with the company's upgraders and refineries.

## Asset flexibility

Further, Suncor owns the Petro-Canada retail network, and uses the flexibility of the company's assets to respond to the changing needs of the market. Suncor has shifted the company's upstream product mix towards higher-priced light crude and maximized the processing of Suncor's physical barrels in the company's refineries.

Overall, it appears that the collapse in demand due to COVID-19 is temporary. Furthermore, Suncor expects that domestic and global demand will return as oil and gas continue to be necessary components of the world's energy mix.

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