



Good morning, Chair, and members of the committee.

Thank you for the invitation to be here today.

My name is Brad Corson. I am the Chairman, President, and CEO of Imperial.

Joining me are Simon Younger, Senior Vice President of Imperial's Upstream operations and Helga Shield, Imperial's Environment, Regulatory and Socioeconomic Manager.

I would like to acknowledge that we are meeting today in Ottawa, on the unceded and unsurrendered Territory of the Anishinaabe Algonquin Nation.

In this meeting today, and every day that we carry out our business, we do so on the traditional territories of First Nations, Métis and Inuit who have lived on and cared for these lands for generations.

We are all entrusted to care for the land, and that is a responsibility Imperial takes very seriously.

We come today fully committed to our reconciliation journey.

I am deeply apologetic for what has happened at Kearl.

We are committed to correcting this situation and ensuring it does not happen again.

Imperial strives to build strong and lasting relationships with Indigenous communities based on mutual trust, respect, and shared prosperity.

We have broken this trust with these incidents and by failing in our commitment to provide sufficient communications to neighbouring Indigenous communities.

This communication breakdown has led to a significant amount of misinformation which contributed to fear, confusion, and anger in these communities. I deeply regret this has happened.

The process of rebuilding trust will take time, and it will require listening and learning. All of us at Imperial have dedicated ourselves to this important journey.

A core principle of Imperial's business is to operate in an environmentally responsible manner. We work tirelessly to do the right thing, and this situation is not reflective of how we operate and who we are as a company. We are disappointed in this recent performance. We can and will do better. I promise you that.

The two incidents being discussed today were a failure to deliver superior environmental performance. This our first Environmental Protection Order at Kearl, which is one too many, and we want it to be our last.

I, alongside all Canadians, expect Imperial to meet or exceed the environmental protection standards set by provincial and federal regulators.

I would like to reassure Canadians that we are working diligently to address these issues with the urgency they deserve.

I will now outline what happened and the steps Imperial is taking to cleanup, take action and communicate following the incidents at Kearl. We have provided an image of our operation to aid the committee in understanding the scope of the two incidents.

The first incident is related to seepage from the Kearl tailings containment system in four isolated areas near our lease boundary, covering a total area of about one hectare.

Last May, we discovered pools of discoloured water. We proceeded to inform the Alberta Energy Regulator and local Indigenous communities. Discoloured surface water can be naturally occurring in this region and we shared with communities we were investigating the source of this water.

Our investigation was complex and required multiple months of technical studies. Ultimately, we determined this discoloured surface water was made up of natural groundwater and precipitation, with some water that seeped from our operations. Throughout the investigation, we also determined there were no impacts to fish populations in nearby river systems, or risks to drinking water for local communities.

The Kearl facility has an advanced seepage interception system which is designed to capture anticipated seepage from the tailings pond into subsurface groundwater. This is a regulatory requirement.

Our investigations determined the four surface pools resulted from seepage which occurred in shallower layers not captured by this system.

We completed all of our regulatory notifications, and we followed our established process with the Indigenous communities for initial notification.

However, our communication with Indigenous communities fell short. We did not speak directly with the Leaders, and we did not provide regular updates.

During subsequent meetings with community Environment Committees, we stated the matter was still being investigated. We didn't want to go back to the communities until we fully understood the situation and had a finalized plan. We should have provided the Indigenous communities with the same information we were giving the AER regarding the findings and planned mitigation measures.

We recognize this mistake and have corrected it.

Addressing this situation was and is a priority for our company. There are over 200 people working on remediation efforts which includes expanding our seepage interception system with additional drainage structures, pumping wells, permanent fencing to protect wildlife, and increased water wells and wildlife monitoring.

With regard to the second event, which is unrelated, earlier this year there was an overflow from a drainage pond at Kearl, resulting in the release of 5,300 cubic meters of water. This pond collects water from surface water drainage systems and the seepage interception system.

As is standard policy, local Indigenous communities and the Alberta Energy Regulator were informed of this release after it was detected. An Environmental Protection Order was issued shortly thereafter.

We profoundly regret this incident. It never should have happened.

The water that overflowed quickly froze. All impacted snow and ice in the area was removed and Imperial continues to work with the AER on cleanup certification.

Water from the overflow did not enter any rivers, the closest being the Firebag River which is approximately 2.5 kilometres away. Monitoring continues to show there have been no impacts to local drinking water sources and there is no indication of impact to wildlife.

The overflow was caused by a combination of equipment problems and process failure. As a result, we are implementing measures at site to prevent an event like this from happening again.

I would like to reiterate that, at Imperial, safety and protecting the environment are core values. That includes protecting our people, local communities and the environment.

Kearl has a robust water monitoring program. We first started testing in the region in 2008 – years before we began production. Recent tests continue to show drinking water in the region is safe. However, we understand this situation has contributed to a lack of trust and communities continue to worry about their own safety and that of their families, friends, and neighbours.

We want communities to feel safe and to know that they are heard. Over the last three months, we have met with Leaders, environmental staff and hosted in-community open house meetings. I have met personally with several Chiefs and Presidents to hear their concerns and to better understand their expectations of Imperial.

We have invited all communities to visit Kearl to see our remediation efforts and to perform their own water sampling and monitoring, and the majority have done so.

In addition, we responded immediately to community requests for drinking water for emergency back-up purposes.

We recognize that the traditional lands on which we operate provides water, food and medicine for First Nations and Metis communities in the region. We have heard their concerns and we are sorry.

I would like to conclude by expressing my sincere apologies again on behalf of Imperial and all our employees for the two incidents that occurred and the related communication shortfalls.

We must, and will, do better. I can assure you we are committed to restoring the trust that we have broken.

Thank you for the invitation to speak with you today, we look forward to your questions.