



Corporate social responsibility and aboriginal relations

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Abstract. All of Canada's uranium mining activity occurs in the northern half of the province of Saskatchewan in western Canada. This region has a total population of 38 000 people living in many small communities scattered over 250 000 square kilometres. Demographically, the north's population is 75% aboriginal representing the Woodland Cree, Dene, and Metis Nations. The majority of the aboriginal population of northern Saskatchewan are treaty Indians (First Nations). The dominant first nations group in the north is The Lac La Ronge Indian Band, also Saskatchewan's largest Woodland Cree First Nation. Despite the fact that the Lac La Ronge Band and other First Nations of the region do not have surface or mineral rights, other than those on their reserve lands, they have significant influence in the development process. The extraction of the mineral resources of Canada are now undertaken with very considerable input from first nations groups and with sensitivity to their treaty rights and aboriginal traditional rights. Treaty rights in Canada include, among other things, hunting and fishing, access to post secondary education and special taxation considerations. This presentation will introduce participants to a unique perspective on northern Saskatchewan's uranium mining industry. This perspective will be provided by Harry Cook, Chief of the Lac La Ronge Indian Band. In his presentation, Chief Cook will provide a first nation's perspective on industrial development generally and uranium development specifically. He will begin by outlining the challenges facing aboriginal people in Canada and will provide an insightful view of the historical conflict between industrial developers and first nations people. He will describe the aspirations of his people and the importance they place on preservation of the natural environment. He will also speak to the critical need now emerging for aboriginal people to seek a balance between retaining traditional culture and participating in the industrial economy. Chief Cook will describe the positive relationships that have formed in northern Saskatchewan between uranium mining companies and first nations people and the developments that have materialized as a result. He will present real and practical examples of sustainable development as manifested in social and economic activities that have come about because of these relationships, and how these examples can be transferred into similar environments around the world. Chief Harry Cook was raised on a trapline in northern Saskatchewan many miles from the nearest road, where he learned the history, tradition and culture of the Woodland Cree. As a young man he proved to be very adventurous for his generation, moving to a city many miles from the peace and isolation of his homeland. In the city he had a very successful career as a trades person, where he not only learned the ways of the non-Indian but also how to live comfortably in two distinctly different realities. He returned to the north after thirteen years in the city and served in several community leadership roles, before becoming Chief in 1987. He is now serving his sixth term. In addition to his duties as the senior authority for all Band activity, Chief Cook is the president of Kitsaki Development Corporation (KDC). KDC is one of Canada's most successful aboriginal development corporations, with 12 enterprises in its portfolio, gross annual revenues of \$50 million CDN, and a workforce of 500. The two flagship companies in KDC, Northern Resource Trucking and Athabasca Catering, were born out of a relationship with Cameco, northern Saskatchewan's largest uranium mining company. Chief Cook also represents his people at the executive level in all matters related to provincial and national aboriginal governance. His skills as a leader and businessman have been recognized on several occasions with awards at the provincial and national level. They were also recognized at the corporate level with his appointment in 1992 to the Board of Directors of Cameco Corporation, where he continues to this day to bring the very important aboriginal perspective to Cameco's board deliberations.

1. INTRODUCTION

The La Ronge Indian Band is one of Canada's largest first nations groups. The Band has approximately 7000 members, living in six communities encompassing a total of 18 reserves, making it the largest in both population and land base in the Province of Saskatchewan. It is also among the most developed Indian Bands in Canada from a social and economic perspective with a sophisticated, band-operated social and economic governance structure.

Cameco is the largest uranium producer in the world. Uranium produced by the company is used exclusively for the production of electricity in nuclear energy plants around the world. Cameco is also acknowledged as one of Canada's leading proponents of corporate social responsibility in mining and a leader in the integration of aboriginal people in its mining operations. This success is largely due to the extensive consultations, over several decades, that Cameco and its predecessor companies have undertaken with aboriginal people. They have led to a better understanding of how resource development affects aboriginal people, how it can best serve their needs and how it can be undertaken in a more sustainable way.

2. NORTHERN SASKATCHEWAN

All of Cameco's Canadian uranium mining activity occurs in the remote region of northern Saskatchewan. The region has a total population of 38 000 people living in many small communities scattered over 250 000 square kilometres. Demographically, the north's population is approximately 80% aboriginal representing the Woodland Cree, Dene, and Metis Nations.

The majority of the aboriginal population of northern Saskatchewan are treaty Indians (First Nations). These people live primarily in communities on treaty reserve lands under government of Canada jurisdiction. The remaining aboriginal population (Metis Nations) and non-aboriginal population live in small settlements and villages under provincial jurisdiction.

The La Ronge Indian Band is a first nations tribe in the Woodland Cree Nation. Under the leadership of the Chief Cook and his council, band members continue to speak the Cree language and practise many of the traditions and customs of their ancestors. Although it is becoming increasingly more difficult to live off the land from an economic standpoint, many band members continue to trap, fish and hunt.

The population of the La Ronge Band is typical of the aboriginal population of Saskatchewan and northern Canada. It is younger, growing faster, less educated and less employed than the population as a whole. The rate of illiteracy among northern aboriginal people is at least double the rate in the general population. Even with improved access to quality primary and secondary education in the north today, as many as 75% of aboriginal children leave school before completing grade 12. Creating educational opportunities for its Band members represents a primary objective of the La Ronge Indian Band. Through leadership and persistence the Band council has dramatically improved high school completion rates by providing high quality access to primary and secondary education in all of its reserve communities. It also has one of the most active post-secondary education programs of any First Nation in Canada, with a current university program enrolment of more than 160 Band members.

Cameco's uranium mining operations are all on provincial crown land, and mining activities are governed under surface leases with the province of Saskatchewan. Despite the fact that treaty Indians of the region do not have surface or mineral rights, other than those on their reserve lands, the extraction of the mineral resource by Cameco is undertaken with considerable sensitivity to treaty rights and aboriginal traditional rights. Treaty rights in Canada include, among other things, hunting and fishing, access to post secondary education and special taxation considerations.

3. CAMECO'S DEVELOPMENT PHILOSOPHY

Cameco's development philosophy includes a complex array of economic, social and community relations programs that are designed to ensure that its activities are undertaken in a sensitive, inclusive and socially appropriate way. Employment and business development are the two primary components of this strategy.

In order to ensure the long term stability and acceptability of its resource development activities, Cameco seeks to maximize the social and economic benefits that flow from its operations to the people and communities most impacted. Cameco's mining operations have been successfully woven into the social, political and cultural fabric of northern Saskatchewan and particularly into the more than 20 northern aboriginal communities where many of Cameco's employees reside.

The social and economic development responsibilities that Cameco has accepted and agreed to in the surface leases are also reflected in the corporation's strategic objectives, corporate policies, vision and values statements, and the individual performance objectives of senior Cameco officials.

This development philosophy is now ingrained in the company's management approach in all of its domestic and international operations, and it is expected that Cameco's experience and commitment to this philosophy will continue to guide the company as it expands.

4. THE LA RONGE INDIAN BAND'S DEVELOPMENT PHILOSOPHY

The La Ronge Indian Band also has a clearly articulated development philosophy that was largely facilitated through their involvement in the uranium industry. In the early 1980's, despite the uncertainty and dramatic polarization of opinion on the issue of further expansion of northern Saskatchewan's uranium industry, the La Ronge Indian Band was the first aboriginal group to support the development. Through their active participation in three separate and extensive public reviews that were conducted on further uranium development, the Band leadership reached the comfort level required to make this important decision.

This decision did not diminish their legitimate concerns about protecting the environment or the potential loss of their culture, and these concerns still exist today. But with a rapidly expanding Band population in need of jobs, the significant opportunities that would come with uranium mining could not be ignored. Since then, hundreds of Band members have been employed in high paying jobs and Band-controlled enterprises have generated over \$150 million in revenues through their direct involvement in the uranium mining industry.

5. THE EMPLOYMENT STRATEGY

According to northern and aboriginal people, employment is the most important social and economic opportunity flowing from mine developments in northern Saskatchewan. Cameco has facilitated the integration of aboriginal northerners by maintaining a seven-day in, seven-day out work schedule and a network of northern air traffic pick-up points for employees. This system makes it convenient for northern employees to work in the mines one week and remain in their home communities during the next.

Saskatchewan aboriginal people have become enthusiastic in pursuing job opportunities in the uranium industry, which provide significant employment incomes in a region of the province where little other permanent wage-based employment exists. For example, the average salary paid to Cameco employees at its Key Lake uranium mine is C \$56 000 per year including benefits.

Cameco is committed to hiring from Saskatchewan whenever possible and provides priority recruitment for northern residents (as defined in surface leases), and in particular aboriginal northern residents, for its site operations. Cameco also attaches very significant northern employment requirements to all contractors doing business with Cameco. Today, all contractors are required, as a condition of their contract, to maximize the employment of northern and aboriginal people.

Cameco has approximately one thousand site operations employees: 600 in its workforce and 400 permanent contract employees. The company's aggressive northern employment strategy has resulted in a very substantial increase in the percentages of northern and aboriginal employment. Almost 50% of all new hires since 1992 have been people of aboriginal ancestry.

Today, 450 aboriginal employees, representing about 45% of its site operations workforce, make Cameco one of Canada's leading industrial employers of aboriginal people. Northern people employed in Cameco's mining operations collectively earn approximately C \$20 million in direct salaries and wages every year, and the majority of this employment income remains in the north.

To increase the northern and aboriginal workforce and to meet its future needs in the north, Cameco is co-operating with various agencies representing federal and provincial governments, and First Nations and Metis organizations to develop a proactive, long term labour force development strategy.

As a component of this long term strategy, Cameco is making significant investments in support of northern Saskatchewan public and post-secondary education programs. In 1999, Cameco invested more than a million dollars in post-secondary education and training support, scholarships, education awards programs, summer student employment, science program sponsorships, school site tours, school-based athletic programs and career information initiatives. All were designed to encourage northern aboriginal children to stay in school, pursue post-secondary training and consider occupations in the mining industry.

As a result of these efforts, Cameco is beginning to experience substantial gains in the employment and advancement of aboriginal people in the management/supervisory, technical/professional and trades occupations. As of June 2000, Cameco directly employed 21 aboriginal managers/supervisors, 49 aboriginal employees in technical/professional occupations and 33 aboriginal tradespeople.

6. THE BUSINESS DEVELOPMENT STRATEGY

Aboriginal leaders in the north, as well as in the rest of the province, have long recognized the importance of business development and wealth generation as they pursue greater economic independence. Cameco's business development strategies support this by providing preferential consideration for business proposals containing northern Saskatchewan and aboriginal involvement.

Through this proactive business development strategy, Cameco has been able to accomplish significant and meaningful third party business development in the north. Volumes of northern purchases have increased from about C \$10 million in 1991 to more than C \$100 million in 1999, which now represents a very substantial part Cameco's total purchases in support of its northern mining operations.

Northern Resource Trucking (NRT) is one example of Cameco's northern business development strategy. It is also the flagship in the La Ronge Indian Band's stable of businesses and the dominant profit generator for Kitsaki Development Corporation, their economic development corporation. As such, it supports less profitable enterprises like their wild rice production company that remain important to the long term future of the Band.

In early 1994, Cameco negotiated a unique business arrangement with NRT. In return for an exclusive six-year contract for all Cameco hauling, NRT was asked to restructure its equity to provide ownership opportunities for other northern First Nations and Metis organizations. NRT's 71% aboriginal ownership consists of nine First Nations and three Metis communities representing the northern Dene, Woodland Cree and Metis people. Today NRT employs more than 120 people, has annual sales of C \$18 million and has a permanent office and transit warehouse in the north.

Cameco has similar business arrangements with other northern First Nations Groups. The Mudjatik/Thyssen joint venture is owned by Thyssen Mining Construction Ltd. and the Mudjatik partnership, a consortium of northern aboriginal partners. Their Cameco contracts over the last year for underground mining and construction were worth more than C \$39 million. Mudjatik/Thyssen employs more than 100 aboriginal people in some of the highest paid industrial jobs available. This watershed partnership represents the first time an aboriginal joint venture was awarded a contract for the sinking of a mineshaft in Canada.

Tron Power (and its sister company, English River Constructors), wholly-owned by the English River First Nation, had Cameco contracts last year worth more than C \$9 million. Tron Power represents another milestone in Cameco's aboriginal business development strategy. They were the first wholly owned aboriginal company that successfully negotiated independent performance bonding for a C \$5 million Cameco contract.

7. ABORIGINAL COMMUNITY CONSULTATION

Cameco has been consulting northerners with respect to its operations for many years. These consultations occur formally through Cameco and government-sponsored committees as well as informally through many site tours, community visits, and general public information sessions. Also, Cameco's shareholders have appointed Chief Harry Cook of the Lac La Ronge Indian Band to the Cameco Board of Directors to bring the First Nations perspective to Board deliberations.

As a result of these extensive consultations Cameco and the La Ronge Band have developed an intimate awareness of each other's concerns and aspirations. Aboriginal leaders are telling Cameco that they want economic opportunities for them and their children while mining activity is undertaken in the north and they want to ensure that they have the employment mobility to continue to participate in the Canadian economy after mining is gone. They also want to ensure that they can continue to live off the land during this activity and they want assurances that there will be no harm done to the natural environment so that they can rely on it after mining activity is concluded. Cameco's success in Canada with respect to sustainable development and aboriginal relations is a function of the company's willingness to operate within these considerations.

As a measure of the company's commitment, Cameco has spearheaded the negotiation of a comprehensive impact management agreement with a select group of aboriginal communities in close proximity to its Rabbit Lake operation. This agreement will become a model for similar agreements across the north. It includes an environmental protection agreement providing northern and aboriginal peoples with a guarantee that they will be compensated should they suffer any loss as a result of project emissions from a uranium mine. It also provides assurances that uranium mining will not limit in any way, the ability of aboriginal people to continue to live off the land and pursue their traditional lifestyle.

8. CONCLUSION

Cameco and the Lac La Ronge Indian Band are proud of their relationship. Cameco is particularly proud of its recognition as a leader in the employment of aboriginal people and in the development of

aboriginal business in northern Canada. The La Ronge Band is equally proud of its status as one Canada's most progressive First Nations. Together they are demonstrating that uranium mining can proceed to the mutual benefit of the aboriginal and corporate communities.

Cameco believes that the company's lengthy track record has contributed significantly to the current high levels of public support. In the most recent independently conducted opinion poll (November 1999), support for continuation of uranium mining in Saskatchewan was about 70%. Cameco will continue to work diligently to ensure that such confidence and trust in the company is well warranted in Canada and our intention would be to apply the same standards wherever we operate.