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Value Added – Local Indigenous Economic Development

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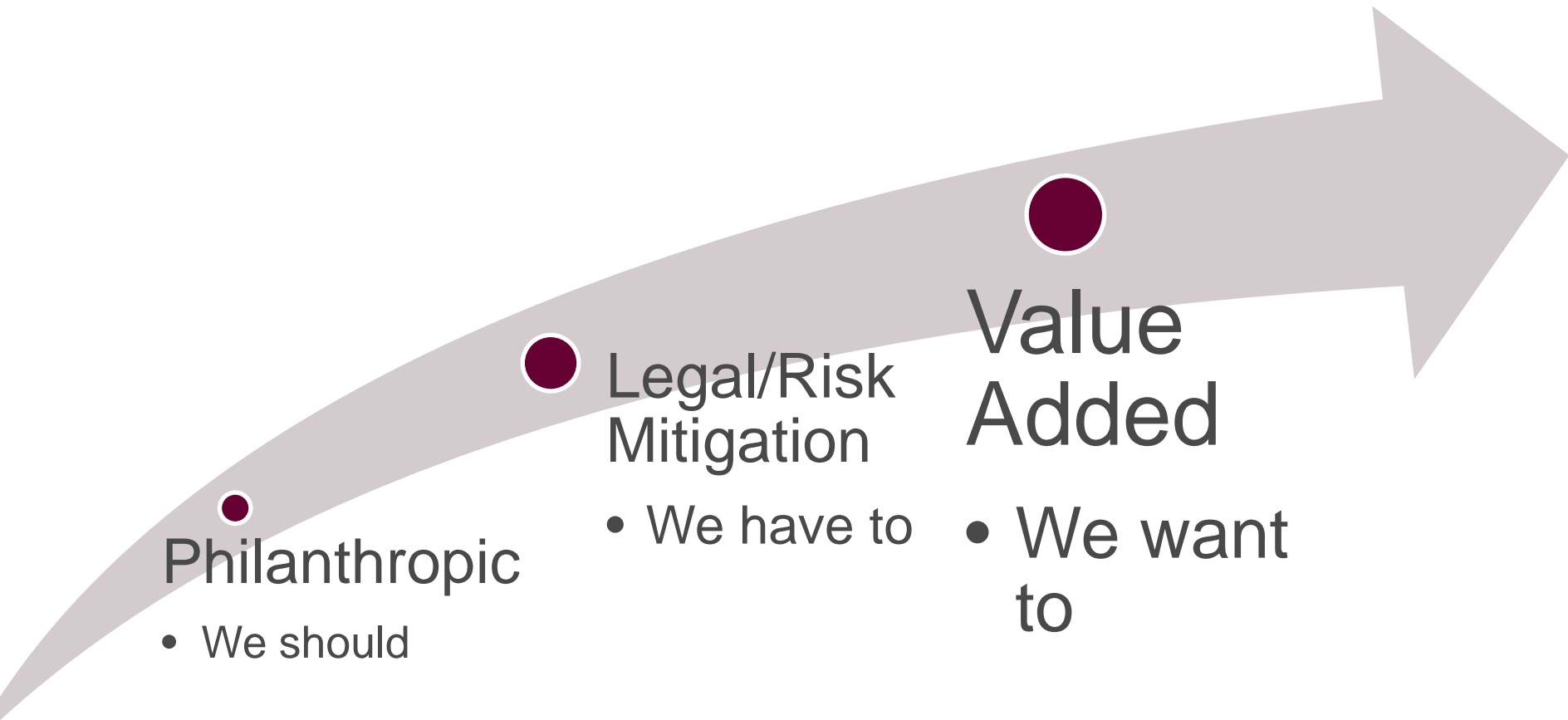


▶ About Cameco

- **Corporate head office in Saskatoon, Saskatchewan**
 - More than 5,000 employees and contractors worldwide
- **One of the world's largest uranium producers**
 - Account for ~16% of total global uranium production
 - Plan for steady growth centered on Canada
- **Canada's #1 industrial employer of Aboriginal people**



► Why Aboriginal Inclusion?



Philanthropic

- We should

Legal/Risk Mitigation

- We have to

Value Added

- We want to

▶ Cameco – Northern Saskatchewan

- **Cameco**

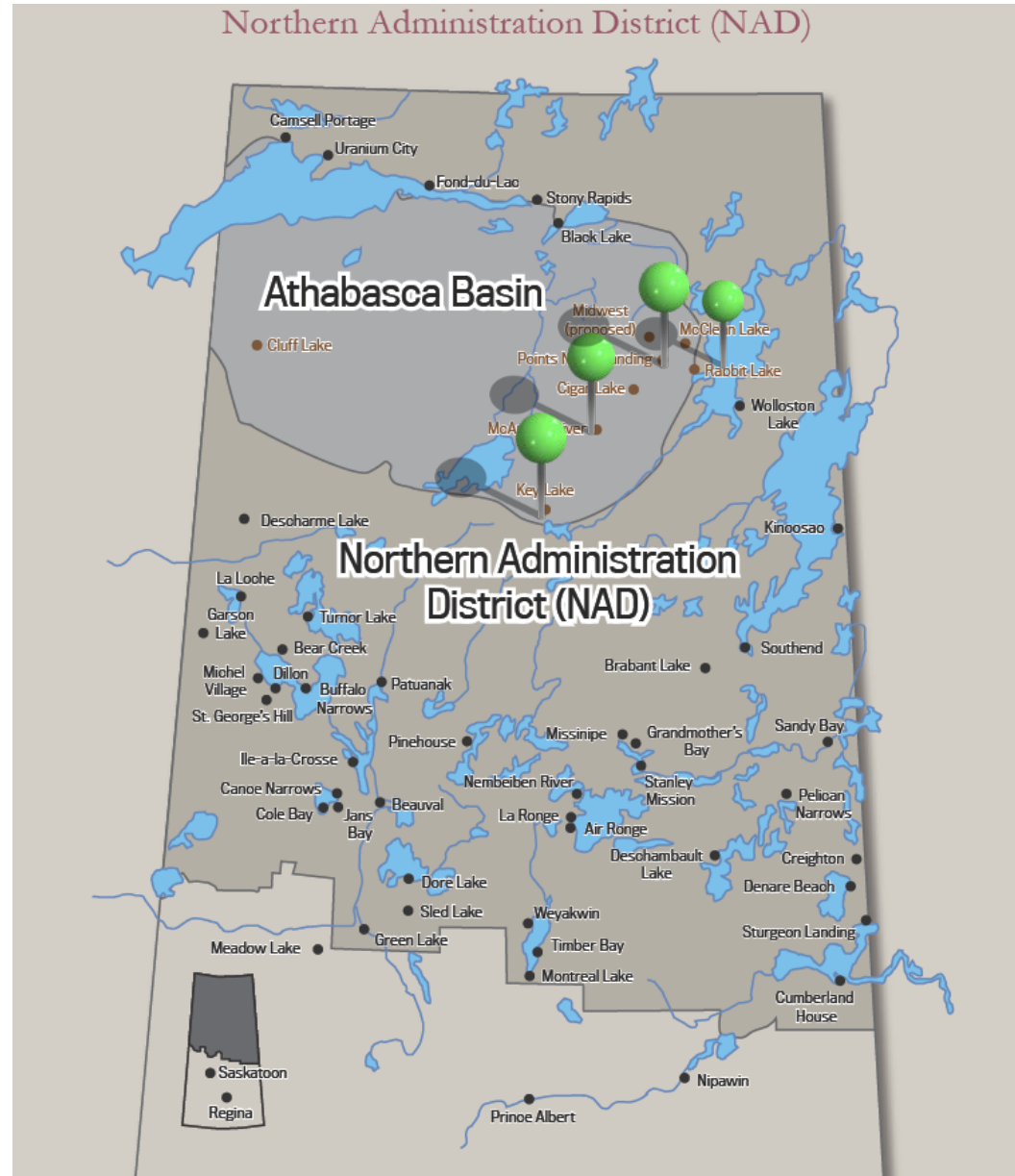
- 4 operations
- 3000 employees

- **Population**

- Approx. 42,000
- Fast growing youth population
- 85% Aboriginal

- **Communities**

- 12 First Nations
- 35 towns, villages, hamlets and settlements
- Remote

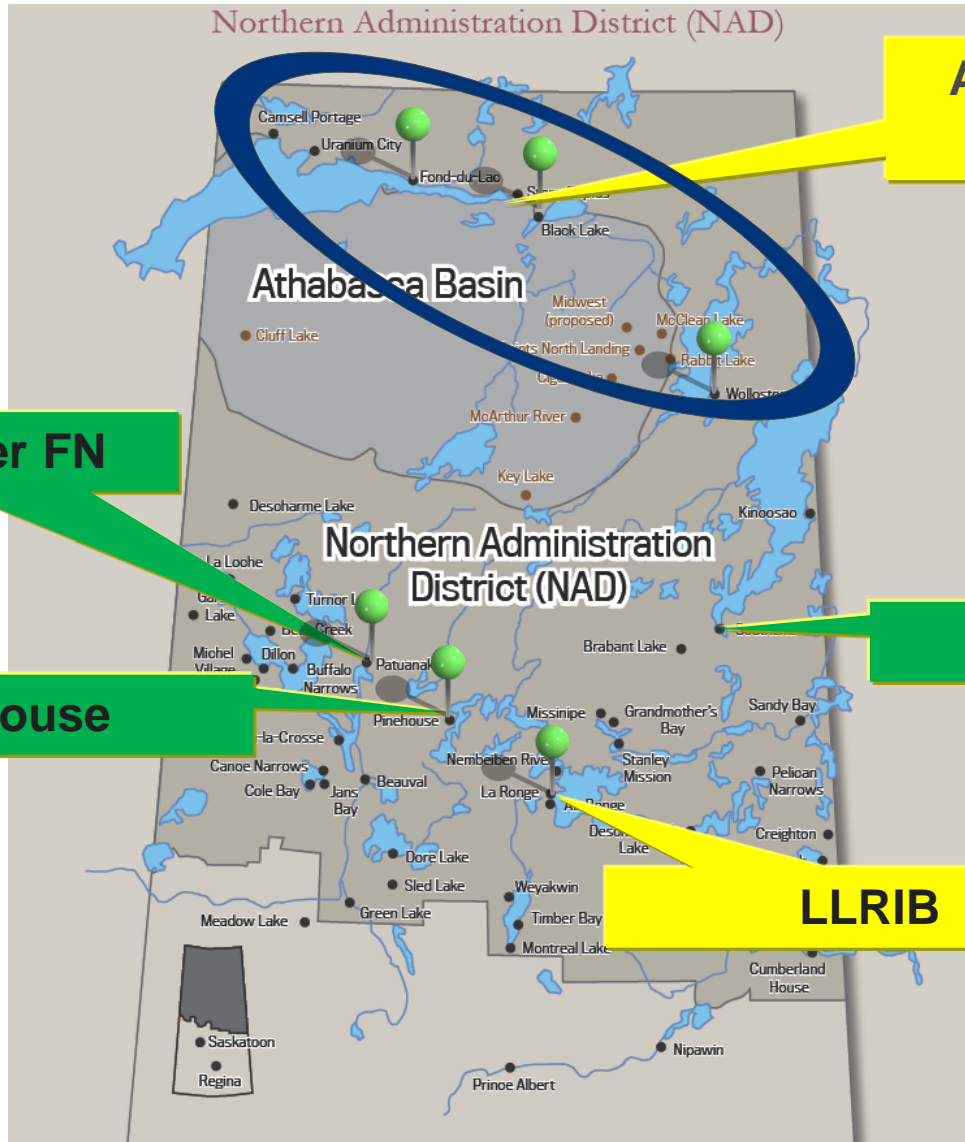


▶ Next Generation Agreements

- Moving forward to an agreement-based relationship
 - Collaboration Agreements
- Uranium industry signed one of the first in 1999 – Impact Management Agreement
 - Trending upwards in usage
 - Now over 300 in Canada
- To solidify and build on our local support and success



▶ Cameco's Agreements – Who?



▶ Cameco's 5 Pillars of Corp Responsibility



Progressive
Aboriginal
RELATIONS **GOLD
LEVEL**

Canadian Council for
Aboriginal Business 



2013 Canada's Best
Diversity Employers

PRESENTED BY  **BMO** Financial Group



▶ Cameco – Local Workforce success

- Canada's Leading industrial employer of Indigenous Peoples
 - 650 Direct Cameco employees
 - 600 operational suppliers
- Throughout Cameco
 - Board of Director
 - Management team
 - 25% in operations supervisory team
 - 30% in Trades
- 95% retention of Aboriginal employees
- \$74 million paid in salaries



▶ Cameco – Local Business success

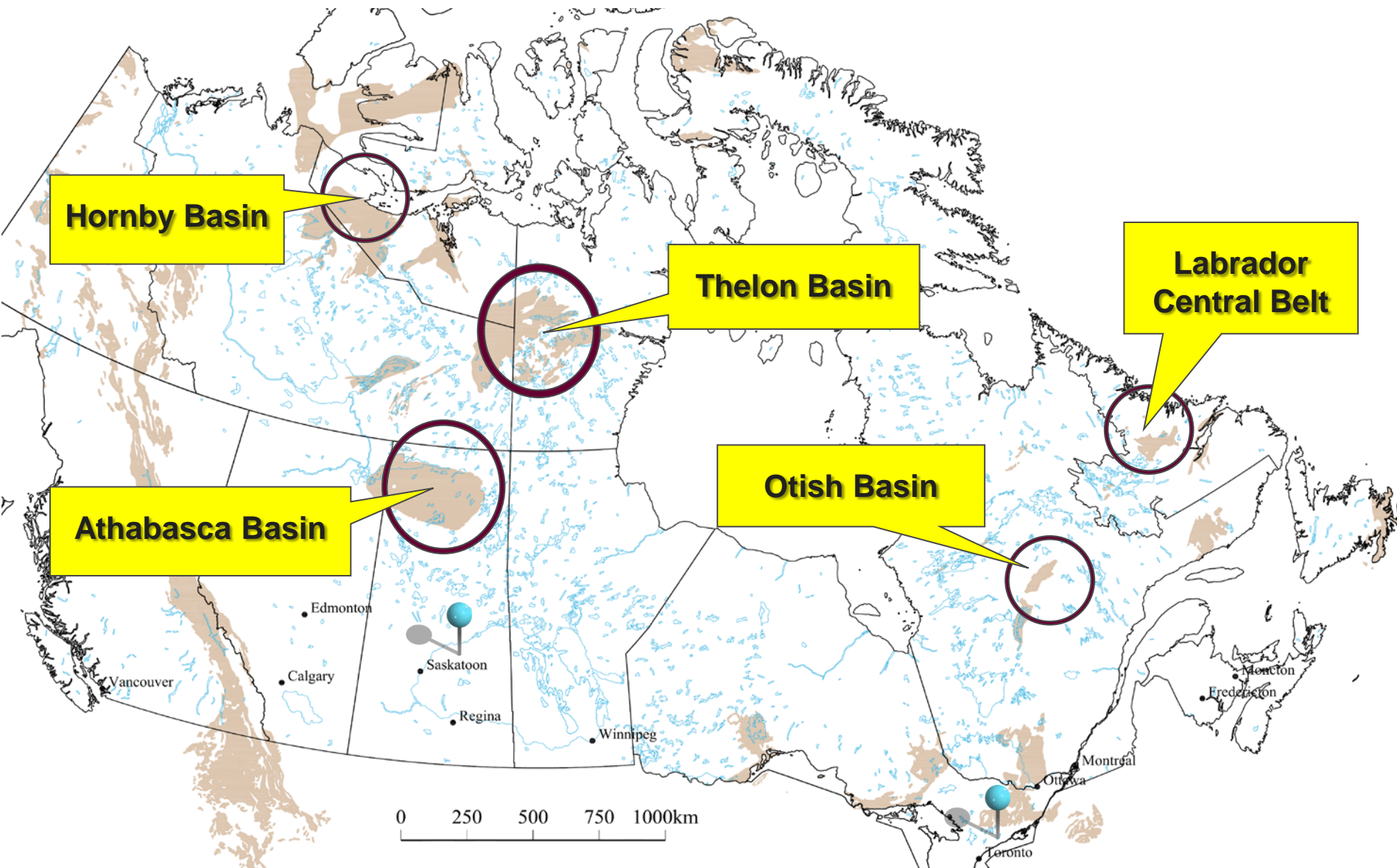
- 25 years of local Aboriginal business experience – The Leader in Canada
- Tied to provincial surface lease requirements
 - Strive to meet 35% spend with local providers
- Refocused in last 5 years to support agreements
- **\$3 billion** in spend since 2005
- Trending to **\$350M** in 2015 or **74%** of total services spend
- Services include
 - Underground Mining, Flights, Freight hauling, Catering & Housekeeping, Environmental monitoring, Security, MPEI construction, Civil Earthworks and Drilling

▶ The Value Add for Cameco

- Proactive Regulatory & Public support
 - 79% local support
 - Obtain project licenses earlier
 - Costs are higher when “reactive”
 - Royalties reflect positive CR work
- Partnership approach to CR initiatives
 - Communities, industry and government
- High retention of local workforce retention (96%)
- Local contractors who understand our requirements & who are committed to us.



▶ Major Uranium Regions in Canada



▶ The Value Add for Cameco

Uranium on Aboriginal Lands

- Increased questions, concerns and discussions from local communities
- Balance between environmental protection and socio-economic benefit
- Striving to obtain a balanced view on uranium development
- Community to community dialogue = value added



► Why Aboriginal Inclusion?

- Supports the self determination of Aboriginal peoples.
- Investment in Aboriginal business is the most effective way to eliminate poverty
- Aboriginal business builds capacity through:
 - Offers communities own source revenues through business dividends
 - Offers community additional training and employment opportunities
- Investment in Aboriginal business shifts focus away from just cash payments
- Growing economic power and population throughout Canada.

▶ Building to success

- Establish long term objectives tied to Vision.
- “Investment in Partnership” rather than “Cost of doing business”
- Establish a business to business relationship
- Provide “big picture”, ensure local communities and business understand your market and your challenges.
- Re-think the way we design projects
 - Create opportunities which match the skills and capacity of local contractors
 - Provide direct source opportunities that meet project needs

► Community Success

- Community Driven entities
- Separate the politics from the business
- Focus on community strengths
- Long term vision
 - Balance the immediate needs
- Invest in your people
- Recruit people who can help
- Talk and work with other Indigenous peoples



► Challenges along the way

- Local contractor dependency
 - Vital to support early in growth and support to expand
- Perception of higher margins
 - Local contractors may receive preferential bidding in the local sphere.
 - New regions may see this has high bids
 - All business receives some form of preferential treatment
- Investment is more than just money
 - Will take time and effort to align needs.

▶ Wrap-up - 25 Years of Partnerships



- 74% northern goods and services
 - \$3 billion since 2005
- Canada's #1 industrial employer of Aboriginal people
 - 650 direct employees
 - additional 600 contractor employees
 - 30% of trades are local
 - \$74M in salaries to the north (2014)
- One of the first in signing agreements with local communities (1999)
- Leader in community involved environmental programs (EQC)
- 3 agreements completed in Canada and 1 MDA in Western Australia (since 2012)



Marci Cho – Thank you - Teniki

