

# ABORIGINAL RELATIONS

## Performance Overview

- The first ever Good Neighbour Agreement between Syncrude and Métis Local 1935 was signed in December 2010
- A bilateral agreement with Fort McMurray 468 First Nation was signed in April 2011
- Regular consultation meetings were held with all five of the region's First Nations and several Métis locals, with a total of 236 consultation and community engagement activities in 2010-11
- A long-term Syncrude employee was seconded to the Chipewyan Prairie Dene First Nation in October 2011 to advise on the community's business development efforts
- Regular contact with Aboriginal contractors (at least two meetings per year per contractor) was maintained and issues and concerns were documented and tracked to enable prompt resolution
- A joint venture among the Athabasca Chipewyan First Nation, the Fort McKay First Nation and a third party won a Syncrude contract to provide all site food services, commencing January 2011
- Chief-to-Chief meetings were held between Syncrude and the Fort McKay First Nation, the Athabasca Chipewyan First Nation, Mikisew Cree First Nation, Fort McMurray 468 First Nation, and Chipewyan Prairie Dene First Nation. As well, a Chief-to-Chief meeting with all Chiefs was held during the 2011 Treaty 8 celebrations
- Elders advisory tours on Syncrude reclamation projects were held in 2010 and 2011 for Elders from the Fort McKay First Nation, Athabasca Chipewyan First Nation, Mikisew Cree First Nation, Fort McMurray 468 First Nation, Chipewyan Prairie Dene First Nation and Métis Locals 1935, 125 and 63
- Syncrude participated in industry and government efforts toward a new consultation agreement with the Mikisew Cree First Nation and Athabasca Chipewyan First Nation, which is hoped to replace the All Party Core Agreement, which ended in March 2010. Negotiations are continuing
- Syncrude leaders remained active on the Industry Committee of the Northeastern Alberta Aboriginal Business Association

- Conducted bison activity days at the Beaver Creek Wood Bison Ranch for students from Fort McKay School, Anzac School, Father Turcotte School, and Father Patrick Mercredi High School
- Assisted the Athabasca Chipewyan First Nation with a building inspection and facility report for property in Fort Chipewyan
- Produced trapper identification cards for all trappers with the Fort McKay First Nation so they can be easily identified by Syncrude field staff and have unimpeded access to their trap lines during winter field programs
- Presented on the topic of reclamation to grade 7/8 students at Anzac School

## Aboriginal Relations Policy, Program & Governance

Syncrude's policies pertaining to our relationships with Aboriginal stakeholders are incorporated into our overarching Communications and Stakeholder Relations Policy and Stakeholder Consultation Guidelines.

The goals of our Aboriginal Relations Program are to:

- be a corporate leader in Aboriginal Relations and employment and a sustainable and socially responsible leader and employer in the oil sands industry;
- attract and retain qualified employees from local Aboriginal communities to assist in meeting our workforce needs;
- be an employer of choice for Aboriginal people;
- be a corporate leader in Aboriginal business development;
- achieve effective, two-way relationships and consultation with local Aboriginal stakeholders;
- focus community investment initiatives on education and recruitment, community relations, cultural retention, and Aboriginal leadership;
- ensure local Aboriginal communities have the capacity to engage with Syncrude regarding consultation, employment, business, and environmental and socio-economic impacts from our projects; and
- ensure Syncrude's environmental programs are designed to mitigate impacts to traditional land uses, incorporate traditional knowledge where possible and are well understood by our stakeholders.

Progress toward these goals is stewarded by Syncrude's Aboriginal Relations Steering Committee, whose mandate is to ensure that Syncrude delivers on its six key commitment areas for Aboriginal Relations: Corporate Leadership, Employment, Business Development, Education, Community Development and the Environment. The Committee includes senior managers and advisors from throughout Syncrude who meet quarterly to guide and champion strategies to ensure positive outcomes for Aboriginal stakeholders. An Aboriginal Relations team supports the Committee; the team manages the day-to-day interactions and relationships with local stakeholders.

## Our Approach to Aboriginal Consultation

Syncrude operates on the traditional lands of five First Nations. Since our earliest days, we have, where possible, accommodated the interests of the local First Nations and Métis Locals. We endeavour to earn support through relationship-building and formal agreements that are aligned with our mutual interests, mitigate concerns, provide benefit to affected communities, and are in accord with Canadian law.

Our engagement with those affected by our operations is ongoing, and in specific cases is also triggered by regulatory applications that fall under the following laws and under which Syncrude has a delegated duty to consult:

- Oil Sands Conservation Act;
- Alberta Environmental Protection and Enhancement Act, including Closure and Reclamation Plan renewals;
- Alberta Water Act;
- Federal government approvals or amendments (e.g.: Fisheries Act or Canadian Environmental Assessment Act); and
- Licenses or permits that fall outside of existing Mineral Surface Leases (e.g.: winter drilling programs).

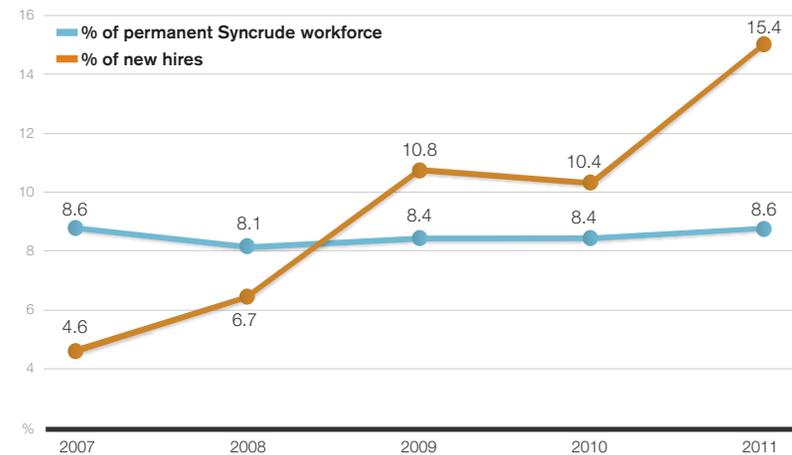
In the reporting period, Syncrude had two active regulatory applications requiring project-specific consultation: Southwest Sand Storage (SWSS) project was approved without the need for a public hearing and consultation on the Base Mine Lake diversion project is continuing.

## Our Aboriginal Workforce

Syncrude was successful in attracting 86 new Aboriginal employees in 2010-11. Attrition among Aboriginal employees was generally consistent with overall workforce attrition, at 10.2 percent in 2010 and 7.4 percent in 2011. As at year-end 2011, our 493 Aboriginal employees comprised 8.6 percent of our total workforce, an increase of 0.2 percent over 2009.

Ongoing recruitment initiatives, such as the day-to-day work of Syncrude's Aboriginal Recruitment Specialist, Syncrude's rotational employment program in several Wood Buffalo Aboriginal communities, and Syncrude's participation in the Aboriginal Human Resource Council's *Inclusion Works National Career Fair* will help maintain strong levels of Aboriginal hiring. Workforce development initiatives, such as our work to support education and trades training programs, also play an important role in developing the next generation of Aboriginal employees.

### Aboriginal Workforce



*In 2011, Aboriginal people represented over 15 percent of our new employees.*

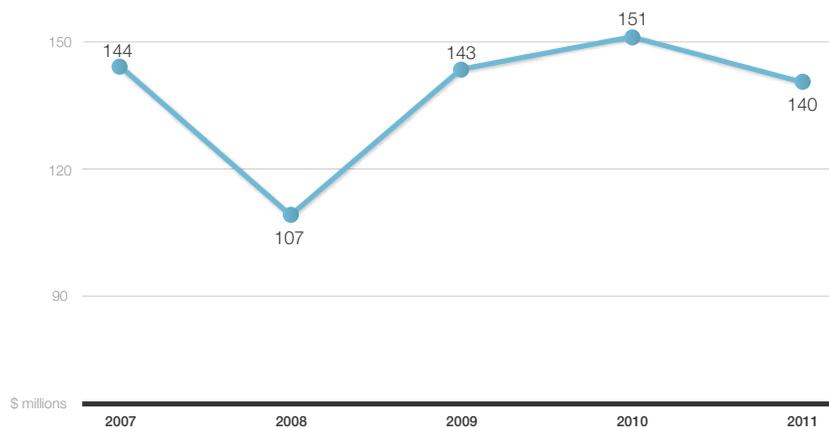
## Aboriginal Cultural Awareness Training

To create an enhanced working environment for Aboriginal employees and improve Aboriginal employee retention, Syncrude committed in 2011 to cultural awareness training for key leaders and staff in our organization. The training will help ensure that Syncrude leaders demonstrate respect for and understand the cultural traditions of local Aboriginal people. The half-day program commenced late in 2011 and will provide greater understanding of Aboriginal history, culture and lifestyles, and insight into how these factors translate into the workplace. It is being conducted by a company whose owner is a member of the Mikisew Cree First Nation.

## Business Development Reaches \$1.7 Billion

Syncrude recorded strong performance for Aboriginal procurement in 2010-11, with a total business volume of \$291 million with companies owned by Aboriginal entrepreneurs and First Nations in the Wood Buffalo region, an increase of \$41 million over 2008-09. This brought to \$1.7 billion the total cumulative procurement since 1992, when Syncrude established a minimum annual target of \$30 million. Our policy requires an Aboriginal business to be 51 percent owned by a band or Inuit, First Nations or Métis person. The Aboriginal owner must also be in control of the operations on a day-to-day basis.

### Procurement with Aboriginal-Owned Companies



The cumulative total for Syncrude business with First Nations- and Métis-owned companies since 1992 is over \$1.7 billion.

## Investing in Strong, Healthy Communities

Syncrude invested nearly \$2 million in Aboriginal community projects during 2010-11. Among the projects we supported:

- **The WinterPlay Festival.** Funds from Syncrude enabled the expansion of this annual event to Wood Buffalo Aboriginal communities in 2010.
- **The Syncrude Aboriginal Trades Preparation Program at Keyano College.** It comprises scholastic upgrading, trades exploration and work placements at Syncrude. The Program is offered at the College's main Fort McMurray campus and also in the region's Aboriginal communities of Fort Chipewyan, Fort McKay, Janvier and Conklin. Syncrude offers permanent jobs to all students upon successful completion of the program, including 16 graduates in 2010 and 20 in 2011.



Jeffrey Cree is a heavy equipment apprentice with Syncrude and a graduate of the Aboriginal Trades Preparation Program.

- **The National Aboriginal Achievement Awards (now the Indspire Awards) and the NAAF Education Series Career Fair for Aboriginal high school students.**
- **The Science Alberta Foundation.** It will produce classroom science learning tools for Aboriginal schools in the Wood Buffalo region and beyond.
- **The Anzac Li'l Lakers Family Resource Centre.** In the community of Anzac, it provides children's programming, after-school programs, parental education, personal development, and arts & culture workshops.



Program facilitator Michelle Whitford assists Ryan Belore on his latest Li'l Laker masterpiece.

- **Alberta Foundation for the Arts Travelling Exhibition (TREX) Program.** It features works by Aboriginal artists in an exhibition that travels to various communities across Alberta.
- **A bison education kit for all 23 schools in the rural Northland School Division.** The kit was originally commissioned by Syncrude for use in the Fort McKay School and proved so popular that Syncrude provided funds to enable its use in more schools.
- **The WISEST and DiscoverE programs with the University of Alberta School of Engineering,** which will now reach out to Aboriginal communities in northern Alberta.

## Syncrude Leaders Serve on National Boards

Two Syncrude leaders continued to serve on the governing boards of national Aboriginal organizations during the 2010-11 reporting period. Dan Brown, Manager of Process Control and Automation, volunteers for the Aboriginal Human Resource Council, and Kara Flynn, Vice President of Government and Public Affairs, volunteers for the Canadian Council for Aboriginal Business.

## Syncrude Helps Refine PAR Program

Syncrude leaders are helping the [Canadian Council of Aboriginal Business](#) refine and enhance the Council's Progressive Aboriginal Relations Program. The program was developed as a framework for companies to measure progress on developing progressive Aboriginal relations and considers corporate efforts in Aboriginal employment, Aboriginal business development, building individual capacity and enhancing relations with Aboriginal communities. Syncrude currently holds Gold Level PAR distinction, and has been accredited five times.

## Aboriginal Relations Program Recognized

Syncrude's commitment to working with First Nations and Métis communities in the Wood Buffalo region earned an Alberta Business Award of Distinction for Aboriginal Relations Best Practices, bestowed by the Alberta Chambers of Commerce in February 2010. Adjudicators cited Syncrude for establishing, and meeting, commitments in six priority areas.

## Employment Program Marks 30th Year

A Syncrude rotational employment program for people from the Aboriginal community of Fort Chipewyan celebrated its first 30 years in November 2010. The program enables participants to be employed by Syncrude while remaining active residents of their community. Fly-in/fly-out transportation and Fort McMurray-based accommodation is provided by Syncrude. Since 2009, the program has also been offered to residents of the southern Aboriginal communities of Janvier and Conklin. About 26 residents of the three communities were active employees as at year-end 2011.



*A resident of Fort Chipewyan, Tim Flett participates in Syncrude's rotational employment program.*

## Beaver Creek Wood Bison Ranch

In 1993, Syncrude introduced a herd of wood bison into a reclaimed area to assess the capability of the landscape to support large mammals such as ungulates. Today, approximately 300 wood bison graze on 300 hectares of land at the Beaver Creek Wood Bison Ranch. The herd is managed cooperatively with the Fort McKay First Nation.

The health of the animals is monitored through annual veterinarian examinations. Due to the herd's excellent health and disease-free status, it has become part of a genetic preservation project headed by scientists from the Universities of Calgary and Saskatchewan, the Canadian Food Inspection Agency, Parks Canada, the Government of the Northwest Territories and the Calgary Zoo.

The herd has been recognized with several livestock awards at regional and national competitions. In 2010, the ranch received the highest bid for a female animal at the national show, followed with the title for Grand Champion Female in 2011.

In 2010, bison twins were born on the ranch. Not only is this rare in the bison species, but it was made even more extraordinary by the twins being male and female. Their birth gave researchers an opportunity to study whether freemartinism – a naturally-occurring genetic gender abnormality seen in cattle which causes infertility in female calves born with male twins – would also occur. After veterinary testing, it was confirmed the female was sterile. Research from this event is being collected and published to further the understanding and management of bison herds.

## First Nations' Community Health Studies

Please see discussion about community health studies in Fort McKay and Fort Chipewyan in [Safety and Health](#).

## Aboriginal Caucus in Place on Multi-Stakeholder Association

Recommendations from a year-long review over the governance and operation of the [Cumulative Effects Management Association \(CEMA\)](#) led to the establishment of an Aboriginal Caucus and the hiring of an Aboriginal Coordinator in February 2011. The Coordinator is to facilitate meaningful involvement by Aboriginal stakeholders in the affairs of the multi-stakeholder organization, whose role is to advise provincial and federal governments and make recommendations with respect to managing the cumulative environmental effects of regional development on air, land, water and biodiversity. Toward this, CEMA recommends management frameworks, best practices and implementation strategies that address cumulative effects on air, land, water and biodiversity to protect, sustain and restore the environment and to be protective of human health.

## Syncrude Aboriginal Review

Published annually, Syncrude's Aboriginal Review provides a comprehensive overview of our Aboriginal Relations work and our progress in stewarding to our key commitment areas of corporate leadership, employment, business development, education, community development and the environment. View the 2011 report [here](#).



## Syncrude Scholarship Recipient Called to the Bar

Corie Flett, daughter of Syncrude employee Dwight Flett and recipient of two Syncrude-supported scholarships, was called to the Bar in 2012 and began her career as a lawyer practicing in Fort McMurray. Among her duties, Corie will provide pro bono legal services to Aboriginal clients in the Wood Buffalo region.



Corie Flett