



Indigenous people's involvement in economic contribution and reconciliation in Canada's oil and natural gas industry

OVERVIEW

Canada's upstream oil and natural gas industry has a long history of interaction with Indigenous peoples and the industry has made great strides toward learning, developing relationships, and sharing benefits from resource development. As part of Indigenous reconciliation in Canada, the industry is identifying feasible ways to share economic opportunities arising from resource development, while continuing to improve and grow relationships based on trust and respect. Some of the ways industry engages with Indigenous communities is through meaningful consultation, procurement, equity partnerships, consultation capacity funding, business and other agreements, community investment, training, and employment.

INDIGENOUS REPRESENTATION IN INDUSTRY¹

3.9%

of the total Canadian workforce

6.9%

of the oil and gas workforce

10.8%

of the mining workforce

9.2%

of forestry

5.0%

of the federal government

EMPLOYMENT AND WAGES¹

Indigenous people earn 3X more in the O&G sector than in other sectors

O&G

\$140,400

Mining

\$93,600

Other sectors

\$51,120

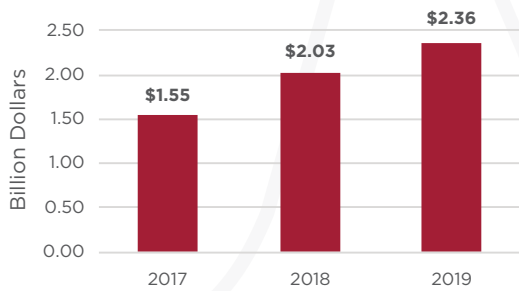
ELIMINATION OF WAGE GAP¹

- Indigenous O&G workers earn **2.2%** more in weekly wages than non-Indigenous workers
- Indigenous workers in other industries earned **7.6%** less in weekly wages than non-indigenous workers
- Indigenous O&G workers earn **\$115,400** in oil and gas extraction but only **\$43,600** on average in all other industries.

PROCURING GOODS AND SERVICES FROM INDIGENOUS SUPPLIERS ²

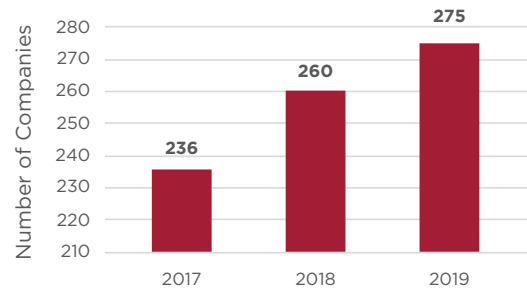
The oil sands industry is a leader in procuring goods and services from Indigenous suppliers, which includes construction, camp operations and catering, equipment services, transportation, environmental services, drilling, engineering services, and retail.

INDIGENOUS SUPPLY CHAIN SPENDING



Data collected in 2020 shows the significant role of Indigenous suppliers to the oil sands industry. CAPP's research indicates the oil sands sector spent about **\$2.4 billion** on procurement from Indigenous businesses in 2019.

INDIGENOUS SUPPLIERS



The number of Indigenous suppliers to the oil sands is also increasing. While the majority are located in Alberta, the industry procures goods and services from Indigenous suppliers across Canada.

PROJECT INVOLVEMENT AND SUPPORT

West Coast Liquefied Natural Gas Development - LNG Canada

LNG Canada is constructing an LNG processing plant and export facility at Kitimat, B.C. within the traditional territory of the Haisla Nation. LNG Canada has been working closely with First Nations communities in the vicinity for several years to enhance project benefits and opportunities and minimize negative impacts where possible.

To date, the company has spent **\$3.5 billion** on contracts and procurement in B.C., of which **\$2.6 billion** was awarded to First Nations and local area businesses.



Coastal Gaslink Pipeline

TC Energy's 670-kilometre Coastal GasLink pipeline will carry natural gas from northeastern B.C. to supply LNG Canada's liquefaction facility on the West Coast. Coastal GasLink worked closely with all Indigenous groups to create long-term benefits that are tailored to meet the needs of the individual communities and has agreements with all 20 First Nations along the route.

- **2,000 to 2,500 jobs** during construction
- **\$20 million** per year generated in tax benefits to B.C. communities
- **\$820 million** awarded in contracts to Indigenous and local businesses



Economic mutual benefits - a few examples

- **Cedar LNG project:** Cedar LNG will be the first majority Indigenous-owned LNG export facility in Canada.
- **PETRONAS Canada road maintenance:** PETRONAS Canada signed road maintenance agreements with two First Nations in the area, enabling First Nation-owned companies to borrow necessary capital to buy a grader, creating year-round work that supports jobs and income within remote Indigenous communities.
- **Suncor East Tank Farm:** In 2017, Fort McKay First Nation and Mikisew Cree First Nation acquired a combined **49%** equity interest in Suncor's East Tank Farm, a strategic infrastructure project, for **\$503 million**.

Indigenous involvement with B.C.'s supply chain expenditures *iTOTEM Analytics report: Our Communities Care* ³

British Columbia's upstream natural gas industry's province wide impact of supply chain expenditures

- The B.C. natural gas sector spent **~\$540M** with some 100 B.C.-based Indigenous-affiliated businesses and organizations.
- **4%** of the businesses engaged in the B.C. natural gas sector were Indigenous affiliated representing **11.5%** of B.C.'s total supply chain spend.

Sources:

- <https://www.newswire.ca/news-releases/resource-sector-provides-highest-paying-jobs-for-indigenous-workers-in-canada-846492054.html>
- CAPP Indigenous Engagement and ESG Report
- iTOTEM, 2023