

BHP Billiton Potash

OPPORTUNITIES AGREEMENTS

In 2010, BHP Billiton conducted baseline studies for the Jansen potash project in Saskatchewan and discovered a challenging socioeconomic situation among some local First Nations communities. The high-school completion and labour force participation rates for these communities were about 40 per cent below the provincial average, and the unemployment rate was three to five times the provincial average. At the same time, there was a very young population with a median age range of 20 to 28 years compared with the provincial average of 38 years.



The demographics and socioeconomic situation presented an opportunity for the mutual benefit of BHP Billiton and the local First Nations. The latent capacity in the workforce was a valuable opportunity in an environment where labour force is difficult to come by. There was the opportunity to develop local suppliers and support communities.

Early attempts for BHP Billiton to engage with the communities to conduct baseline studies were challenging because of an environment that had sowed mistrust between First Nations communities and industry historically. The baseline study that was completed concluded that 24 per cent of the population in the area were Aboriginal. Historically, First Nations people have been under-represented in employment and business participation in the potash industry.

A memorandum of understanding (MOU) to negotiate an opportunities agreement was offered to the First Nations during the environmental assessment process, and one of the First Nations signed an MOU with BHP Billiton. The environmental impact statement filed for regulatory approval included a commitment to pursue opportunities agreements with local First Nations. During the public comment period, the First Nations were not able to provide comments on the environmental impact statement. While studies by regulators and the company determined the project would not impact indigenous land use, the situation highlighted the need to build the First Nations' capacity to provide technical feedback.

To help build a relationship and enhance BHP Billiton's understanding of the communities, BHP Billiton supported traditional knowledge and land use studies with the communities. The studies were resourced sufficiently to document all of the communities' land use rather than being constrained by the Jansen project area. The communities' history was also documented utilizing oral testimony and secondary research. The final product consisted of books that served as a cultural resource for the communities and a tool for BHP Billiton to understand the communities' land use in relation to the project.

Part of the negotiations included bringing the communities' chief and members of BHP Billiton's senior leadership team and management team together for a two-day workshop. During the workshop, BHP Billiton provided presentations on plans and goals for each area of the agreement, and the parties discussed their mutual goals and provided clarity in areas of uncertainty. The topics of discussion included:

- agreement governance
- education
- employment and training
- business development
- support for community development
- engagement with community members
- sharing environmental information
- dispute resolution.

The workshop developed a common understanding of what could be achieved through an agreement.

