

**CSR, MINING, AND SUSTAINABILITY IN THE CIRCUMPOLAR NORTH:  
THE ROLE OF GOVERNMENT IN THE IMPLEMENTATION OF  
CORPORATE SOCIAL RESPONSIBILITY**

**BY**

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## ABSTRACT

As part of the broader Arctic Urban Sustainability project which is examining sustainable development in the Circumpolar North, this thesis was intended to explore the role of corporate social responsibility in mining as a contributing factor to sustainable development. This was done through the examination of two northern case studies: Cameco Corporation's uranium mining operations located in the Northern Administration District of the central Canadian province of Saskatchewan, and Northern Iron's iron mining operation located near the town of Kirkenes along the northeastern border of Norrbotten in Norway.

The methodology utilized in this case study was Leslie Pal's public policy framework which asserts that public policy statements consist of four components: the definition of the policy problem, formulation of policy goals, and the use of specific policy instruments, followed by policy evaluation. This methodology was used to frame the corporate social responsibility (CSR) policies of Cameco and Northern Iron. Data was gathered from a variety of sources including interviews, policy documents, and academic research.

Within the literature CSR is primarily understood as a voluntary action undertaken by companies for a variety of reasons ranging widely from effective corporate leadership within the company to greenwashing of the company's image. The results of this research suggest that the role of the state in the initiation and implementation of CSR is of much greater importance than is predominantly recognized within the literature. This thesis argues that legal requirements instituted by government have the potential to lead to the initiation and implementation of CSR practices by mining companies.

In the case of Cameco the *Mine Surface Lease Agreements* agreed to by the company and the provincial government provided motivation for the company to develop and implement their world-renowned CSR practises, which in turn led to a number of benefits for the company and surrounding communities. In the case of Northern Iron's operations in Kirkenes, working hour requirements instituted by the Norwegian Government contributed to significantly higher levels of local employment in the region. These findings are important because they demonstrate that government may have a greater role to play in encouraging companies to initiate and implement CSR policies which contribute to improved socioeconomic outcomes for northern communities.

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## **LIST OF ABBREVIATIONS**

CSR = Corporate social responsibility

CRD = Community relations and development

FPIC = Free, Prior, and Informed Consent

IBA = Impact benefit agreement

IGO = Intergovernmental organization

ILO = International Labour Organization

NAD = Northern Administration District (Saskatchewan)

NGO = Non-governmental organization

PDAC = Prospectors and Developers Association of Canada

SLO = Social license to operate

UN = United Nations

UNDP = United Nations Development Programme

UNDRIP = United Nations Declaration on the Rights of Indigenous Peoples





# CHAPTER ONE - INTRODUCTION

## 1.1 Introduction

Climate change, energy shortages, and increased opportunities for resource development and transportation have brought global attention to the circumpolar north (Crawford et al. 2008). The Circumpolar North has been historically “exploited as a vast reservoir of natural resources that are destined for the southern, non-Arctic, parts of the countries... and more broadly to global markets” (Duhaime and Caron, 2006). Global interest in resource development activity presents both opportunities and challenges to Northern communities, many of whom are already facing significant impacts from social, economic, and environmental change. Although there is a current slump in oil and mineral prices, long term global economic growth almost certainly will bring renewed pressure to develop Northern resources. Within this context, the challenge for Northern regions and communities is how to achieve sustainable economic development: capturing economic benefits locally while still addressing the wider socio-economic and environmental needs.

Corporate social responsibility (CSR) is one mechanism that plays an increasingly important role in resource development globally, including the Circumpolar North. Broadly understood, CSR is “the responsibility of enterprises for their impacts on society” (EU Commission, 2014). Within the resource sector, CSR typically addresses economic (employment and business procurement), social (community development), and environmental (environmental monitoring) impacts and opportunities on local communities involved with, or impacted by, resource development projects. More specifically, within this research CSR will be taken to mean

corporate actions that go beyond a company's core productive activities as well as the bounds of enforceable legal requirements and provide benefits for society.

This thesis will focus primarily on the role of government in the initiation and implementation of CSR. Those activities ensured by government enforced legal requirements cannot be understood to mean CSR. Therefore, it is important to emphasize the difference between legal requirements that act primarily through accountability mechanisms and those that act through enforcement mechanisms. For example, environmental assessments are not a form of CSR since they are instituted and enforced by the state. However, conditions set out in negotiated agreements between Aboriginal groups and mining companies, while certainly shaped by legal norms such as "the duty to consult and accommodate" in the Canadian context can be understood to be CSR since they are not enforced by the government but rather shaped by norms and the desire of companies to obtain a social license to operate.

There is considerable debate in academic and policy communities around the effectiveness and even appropriateness of corporate social responsibility. Some scholars argue that CSR evolved out of a particular corporate-centred worldview that does not necessarily complement the diverse political and social arrangements within the Circumpolar states; others argue that its voluntary nature and the inherent flexibility of the concept has enabled it to be successfully applied in a variety of political and social contexts (De Geer et al., 2010, Argandona and Hoivik, 2009). At the same time, the inherent flexibility of CSR also has made it a challenge to define, and thus to measure. Nevertheless, it is an approach used widely within the mining industry that may have the potential to contribute to sustainable economic development in the Circumpolar North. Accordingly, understanding the effectiveness of CSR as one potential tool

for contributing to sustainable development is important for both the scholarly and policy community.

This thesis research is part of a larger project on Arctic Urban Sustainability funded by the Norwegian Research Council. The broader project examines the sustainability chain in Northern development, starting with front line resource communities and ending at large regional centres. Among other variables, the larger project focuses on three interrelated dimensions: capacity-building, environmental assessments, and CSR. This thesis examines the role of government in the implementation of CSR practices. It does this by analyzing the impact that legal requirements have had on the social, economic, and environmental practices of two mining companies.

The findings of this research suggest that there is a greater role for government in the implementation of CSR than has been acknowledged within the literature. Both the government of Norway and the government of Saskatchewan provided legal requirements which ensured specific levels of local employment within northern Saskatchewan and northern Norway. This contributed to the effective implementation of CSR practises by the two companies in question: Cameco Corporation and Northern Iron Ltd. This evidence suggests that *legal requirements instituted by government bodies have the potential to lead to more effective CSR implementation.*

## 1.2 Concepts

This section defines two core concepts that will be used frequently throughout this thesis: sustainable development and corporate social responsibility.

## Sustainable Development

The concept of sustainable development can be traced back to forestry practises in the 18<sup>th</sup> century which determined the number of trees allowed to be cut in order to ensure “long-lasting protection of the tree population” (Ebner and Baumgartner, 2006). However, modern use of the term is generally understood to have emerged from the 1987 Brundtland Report which advocates multilateralism and state cooperation in the face of increasingly global environmental and social challenges (United Nations, 1987). This report was presented by the United Nations (UN) World Commission on Environment and Development in response to concerns surrounding global environmental and social issues. The report defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (PDAC, 2014) and has become the founding definition of the concept.

While the Brundtland Report’s characterization of sustainable development is now the standard policy definition used by actors ranging from representatives of the mining industry to NGOs, and policy-makers, the implementation of sustainable development in the context of mining remains the subject of widespread debate. The literature on sustainable development in relation to CSR focuses primarily on the evolution and development of the concept, the adoption of sustainable development principles within the mining industry, the shifting role of the mining industry in the context of sustainable development, the operationalization and effectiveness of sustainable development frameworks, and strategies for effective implementation of sustainable development principles. For the purposes of this research, effective implementation will be

understood to mean CSR practices that result in mutually agreed upon outcomes between community and industry.

The evolution of sustainable development is explored by various scholars and policy-makers. Both the Government of Canada and the Government of Norway have released policies and guidelines regarding the evolution of sustainable development and its implementation within the Canadian and Norwegian contexts (Royal Ministry of Foreign Affairs, 2003; Natural Resources Canada, 2003). In addition, numerous scholars have explored the role of mining and CSR in relation to sustainable development from a variety of perspectives. For example, Ebner and Baumgartener characterize CSR as the social strand of sustainable development (Ebner and Baumgartner, 2006). While Richards takes on the herculean task of exploring the potential role of minerals in sustainable human development (Richards, 2005).

A significant portion of the literature focuses on the adoption of sustainable development principles by mining companies, specifically which factors motivated many actors in the mining industry to integrate sustainable development into their guiding policies. The factors outlined by these scholars include media pressures, increased opportunities, better results, improved public image, managerial leadership, home country policies, and the development of a culture of commitment within the industry (Bansal, 2005; Danielson, 2004; Dashwood, 2007; Dashwood, 2014). According to some scholars, the incentives offered by the adoption of sustainable development principles coincide with increased responsibility for mining companies within the context of sustainable development and shifts in global governance (Labonne, 1999; Hamann, 2003).

The operationalization and effectiveness of sustainable development frameworks is a matter of contention for many scholars, who argue that the gaps between policy and practice call the credibility of the initiatives into question (Fonseca, 2010; Sethi, 2005). Additionally, there is no shortage of strategies for more effective implementation of sustainable development principles within the literature. The approaches suggested range from tri-lateral partnerships between governments, corporations, and civil society, to the use of industry expertise to support local innovation, cross-cultural dialogue, capacity-building, and policy networking (Labonne, 1999; Mate, 2001; Hamann, 2003; Jimena, 2006).

### **Corporate Social Responsibility**

The concept of corporate social responsibility (CSR) was originally coined by two American scholars, A.A. Berle and C.G. Means, in the 1930s, shortly after the 1929 Wall Street Crash plunged the American economy into chaos (Klempner, 2006). However, modern popularization of the term occurred in response to widespread criticism of the social and environmental practices of corporations beginning in the 1960s. Since the publication of the 1987 Brundtland Report, CSR has been heavily promoted by governments, non-governmental organizations (NGOs), inter-governmental organizations (IGOs), and corporations as a means of achieving sustainable development in an increasingly globalized world. Mining companies in particular were instrumental in disseminating the global norms of CSR and sustainable development through the policies of individual companies and through industry-wide initiatives such as the Global Mining Initiative (Dashwood, 2014).

Beginning in the early 1960s and 1970s the mining sector became a focus of criticism from environmental groups for practices that were seen as detrimental to the environment (NRC

2003). Concerns have also been raised around the human rights practices of mining companies particularly in developing countries (De Geer et al., 2010). These concerns led policy-makers and industry leaders to integrate the concept of sustainable development into their guiding policies through the “triple bottom-line” approach which encourages corporations to strike a balance between financial, social and environmental concerns (PDAC, 2014). By the 1990s sustainable development had “become the driving standard behind all global environmental and development initiatives” (Dashwood, 2007) including many of the policies articulated by mining companies in Canada and Scandinavia.

Much of the literature in regards to CSR addresses similar debates to those described above in relation to sustainable development. These include the shifting role of governments and corporations, the definition of CSR itself, the level of regulation that should govern the implementation of CSR policies, the gaps between policy and practice, the adoption of CSR policies by mining companies, and the question of how CSR can be implemented most effectively.

Of primary importance within the literature are the questions that the implementation of CSR practices by mining companies raises for the roles that governments and corporations play in our contemporary world. Much of the literature that touches upon this debate focuses on the introduction of neoliberal policies, the retreat of the state, the increasing role that corporations have come to play in regards to local and global governance, and the implications that these changes have for affected communities (Steurer, 2009; Heisler and Markey, 2013).

Another central debate within the literature relates to the definition of CSR itself. CSR is defined in diverse ways across diverse contexts and according to some scholars the inherent

flexibility of the concept is what enables it to be effective in different contexts. (Argandona and Hoivik, 2009; Metaxas and Tsavdaridou, 2010). Some scholars emphasize the historical nature of social responsibility, arguing that in a sense corporate social responsibility is a new name for an old idea (Argandona and Hoivik, 2009). At the same time, other scholars completely reject CSR and its various definitions as a form of “greenwashing” (Greenfield, 2004). Others argue that CSR is merely a management strategy utilized because it enables corporations to pursue their primary goal of maximizing profit (Pesmatzoglou et al., 2014).

The debate around the best way to implement CSR is closely tied to questions regarding the appropriate level of regulation, if any, that should govern its implementation. Some scholars suggest increased regulation for a number of reasons which include ineffective results “on the ground”, and histories of heavy regulation within certain contexts (Bice, 2013; Broberg, 1996). However, other scholars take the view expressed clearly by Metaxas and Tsavdaridou that “the implementation of CSR is a difficult task and should not follow systematic rules or standards due to the fact that each country has a differing culture and unique social system” (Metaxas and Tsavdaridou, 2010). These scholars stress the importance of CSR’s voluntary and flexible nature in allowing it to be adapted to different contexts (Metaxas and Tsavdaridou, 2010; Cheshire et al., 2013)

The gaps that exist between CSR policies and the ways that they translate into practice “on the ground” are highlighted by a variety of scholars (Fonseca, 2010; Kemp and Owen, 2013; Bice, 2013). While on the opposite side of the debate other authors such as Davidson argue that the translation of CSR policy into effective practices is an ongoing process that requires time and motivation from within the industry (Davidson, 2005).



Another major debate within the literature concerns the adoption of CSR policies by mining companies. Scholars have identified a number of external and internal factors motivating companies to adopt these policies. External motivators identified include media pressures, home-country policies, the development of a culture of commitment within the industry, the need to improve public relations, the pressures of globalization and localization, transnational advocacy networks, and global normative instruments (Bansal, 2005; Dashwood, 2007; Webb, 2012). Internal motivators identified include the quality of managerial leadership, the financial costs of social and environmental conflict, and the use of CSR as a tool to improve the images of companies (Dashwood, 2007; Franks et al., 2014; Pesmatzoglou et al., 2014).

The debate around effective implementation of CSR has resulted in the identification of a number of potential strategies and factors for success. These include increased policy convergence between the three levels of government (in the case of Canada) and systemic support of CSR initiatives, mining companies using their specific skill sets to support local communities, structural change and professional development within the organization, clear legal norms in home states, cross-cultural dialogue, capacity-building, policy-networking, partnerships between corporations, NGOs and government, technological innovation, community involvement, and revenue-sharing (Danielson 2004; Sagebien et al. 2008; Jimena, 2006; Kemp, 2010; Seck 2008; Dashwood 2007, Lertzman and Vredenberg, 2005; Mate, 2001; Pesmatzoglou 2014; Pratt 2001; MM 2011; MM, 2012; Knobblock 2013).

## 1.3 Methodology

### Analytical Framework

This thesis focuses on CSR as a policy instrument to achieve sustainable development. Accordingly, this research employs Leslie Pal's framework for understanding public policy and policy analysis in our contemporary political context as the analytical framework for examining the formulation and implementation of CSR policies in different contexts.

Pal defines a public policy as “a guide to action, a plan, a framework, a course of action or inaction designed to deal with problems” (2010: 5). Pal asserts that public policy statements consist of four components: the definition of the policy problem, formulation of policy goals, and the use of specific policy instruments, followed by policy evaluation. Problem definition which is considered the central element of a policy statement consists of three components according to Pal: “reality (what is the unrealized needs or values), a desired state of affairs (what should be, the improvement), and the gap between them (the discrepancy)” (2010: 100). In these terms the question being asked in this thesis can be broken down into reality, which consists of the social and environmental challenges and opportunities facing Northern communities in relation to mining, a desired state of affairs which can be understood as achieving sustainable development in Northern regions, and the gap between which can be identified most clearly in the discrepancies that exist between the CSR policies and practices of many mining companies.

Problem definition is closely connected to the formulation of policy goals according to Pal. He makes a distinction between general goals and policy-specific goals (2010: 7). In the

case of this thesis this distinction could be illustrated by the difference between sustainable development as it is defined within the Brundtland report, and sustainable development as it is defined for specific communities where some aspects such as tradition hunting or herding grounds may be identified as central to the community's sustainability.

Policy instruments are the “means whereby the problem is to be addressed and the goals achieved” (Pal, 2010: 8). This portion of the public policy process is most clearly understood through the question of “how” (Pal, 2010: 8). In the case of this thesis, CSR policies and practices are identified as the policy instruments through which questions of sustainable development and mining in Northern communities can be addressed.

Policies are evaluated primarily to improve programs, but also to ensure that ideals such as accountability are addressed in the public policy process (Pal, 2010: 286). Policy evaluation takes a number of forms including program evaluation, impact evaluation, process evaluation, efficiency evaluation, cost-benefit analysis, and cost-effectiveness analysis (Pal, 2010). In the case of this thesis, CSR as a policy will be examined through the analysis of two Northern case studies to determine whether their implementation contributes to sustainable development.

Through this lens, sustainable development can be understood as the policy goal. CSR is a policy instrument which seeks to contribute to achieving this policy goal. The analysis of CSR as a policy instrument will be taken up in chapter three, and the role of the state in policy implementation will be explored in chapter four. Lastly, the question of policy outcomes, whether CSR contributes to sustainable development in these cases, will be examined in the final chapter.

This thesis adopts a comparative case study approach. Comparative case study research offers a number of significant advantages for social scientists. According to Robert Yin, case studies are particularly useful for investigating “how” or “why” questions (2003: 1). He argues that case studies can be used to “describe or test propositions” while still retaining “the holistic and meaningful characteristics of real-life events” (2003: 2). Thus, case studies enable social scientists to overcome the problem of causal complexity defined by Charles C. Ragin as “the fact that many of the outcomes that interest social scientists often result from several different, non-overlapping combinations of conditions” (1999: 1227). In other words, social phenomena are complex and cannot easily be isolated or reduced to a single explanatory variable. Comparative case study research enables social scientists to examine social phenomena in all their complexity, and to examine specific phenomena across various contexts.

## **Methods**

This thesis examined two case studies in order to determine how legal requirements instituted by government contributed to the initiation and implementation of CSR practices. The preliminary research involved a review of the academic literature on CSR. Primary and secondary sources were examined and field research was conducted in both Norway and Canada. Primary sources include meetings and interviews conducted with representatives of government, industry, and civil society in the Northern Administration District, and Finnmark County. These sources were compared with data collected from documents and reports released by government, industry, international organizations, and non-governmental organizations.

The diagram below outlines the order of methodological steps undertaken in this analysis. In all cases attempts were made to confirm data collected through interviews and document review through additional documentation and/or interviews with other sectors of society. For example, information obtained from the Northern Research Institute (NORUT) was confirmed by obtaining government records of exchanges between the Norwegian Labour Inspectorate and Northern Iron Ltd. In another case it was impossible to corroborate the testimony of one interviewee due to both a lack of response from representatives in industry and a lack of available employment data. As a result, this information was not included in the final analysis despite the support it provided for the findings of this research.

<b>DIAGRAM OF STEPS</b>
1. Literature review e.g. CSR, sustainable development, and mining
2. Document review e.g. news articles, industry and government reports and websites
3. Interviews with representatives of government, industry, and civil society
4. Data review and thematic analysis e.g. employment, CSR, history of organizations

Field research was conducted during the span of several weeks in the north of Norway. This research was bookmarked by interviews and meetings held in Saskatoon, Saskatchewan, two conferences in the Northern Administration District, and a field school which took place in several locations across north and central regions of Norway and Sweden.

The field school led by representatives of the University of Tromso was entitled “Indigenous peoples, resources and rights”. It focused on South Sami issues including the endangered status of the language, struggles over resources, law and policy, as well as the differences between the

Swedish and Norwegian contexts. We travelled from Trondheim to Snasa and Hattfjelldal in Norway, and then on to Tarnaby, Vilhelmina, and Ostersund in Sweden. We attended meetings and seminars with members of the Sami Parliament, an archaeologist from the University of Umea, directors of Sami schools and museums, a leader of a resistance struggle against a proposed mine, collaborative researchers, and the driver of a Sami library bus.

The field research began in Kirkenes, the northernmost port in Europe located just west of the Russian border within the Arctic Circle. We spoke with researchers from the Barents Institute, as well as the Director of the Barents Observer, an online news source which offers updates on the Barents region and Arctic issues. We also met with employees of the local Kompetansesenter (Adult Learning Center), an East Finnmark member of the Sami Parliament, an environmental engineer employed by the Sydvaranger Gruve mine, and an employee of the Sor-Varanger Municipality. From there we travelled to Karasjok where we were able to tour the Samediggi, the headquarters of the Norwegian Sami Parliament and meet with Hege Fjellheim, the Head of the Department of Rights and International Issues. From there we drove to Alta, stopping briefly to meet with an employee of the Finnmark Estate Agency. In Alta we were able to meet with researchers from the Northern Research Institute (NORUT) and the Vice Rector of the Arctic University of Norway who provided us with valuable insight into mining and education in Northern Norway.

The Walleye conference which was held in June in Missinipe, Saskatchewan, hosted a number of esteemed academics, lawyers, and representatives of industry and community. We were invited to attend meetings with representatives of Cameco Corporation, and Saskpower, as well as experts on Indigenous law in Canada. We listened to presentations by leading academics from around the Circumpolar North, as well as lawyers and community members who have been

and continue to be deeply involved in consultation processes across the Canadian North. This gave us the opportunity to reflect collectively on the differences and similarities between the shared challenges facing these regions including resource development, climate change, and the evolution of Indigenous rights.

Several presentations at the Walleye Conference held in Saskatoon and Missinipe, Saskatchewan provided context and evidence for the findings in this thesis. Kristin Cuddington's presentation on Cameco's community engagement in Northern Saskatchewan provided insight into the company's CSR practices, while Jamie Dickson's presentation on the 'Duty to Consult' demonstrated the benefits of this approach. Bonita Beatty's presentation on the distributive culture of northern Saskatchewan provided insight into the social context facing the region. While Thomas Molloy's description of his experience with negotiation's across Canada helped me to understand the legal challenges facing Aboriginal people and policymakers involved in the development of resource agreements.

Afterwards, I was able to meet up with one of the presenters, Naomi Carriere, who previously headed the Consultation Office of the Lac La Ronge Indian Band. She provided me with a more nuanced understanding of the context facing Aboriginal communities in relation to resource development and CSR in northern Saskatchewan. This complimented the previous opportunities I had had to attend an internship meeting hosted by Cameco which presented information on the companies' CSR policy and strategy for improving socio-economic outcomes in the NAD.

The different positions and motivations of the various interviewees and written sources provided me with the opportunity to consider the issues involved in this research from different

perspectives. It also enabled me to triangulate the data by comparing themes prominent within the literature to the real life experiences of individuals on the ground. I sought out evidence to confirm the statements of interviewees such as employment statistics and government records of agreements and legal requirements. In one case I was unable to obtain records that confirmed one interviewees' statement so I removed that information from my research in order to ensure that all of the data I was presenting was sound and evidence-based.

## 1.5 Case Studies

The two case studies examined in this thesis focus on northern communities and the challenges and opportunities many of these communities face in relation to resource development and global challenges such as climate change. Robert M. Bone defines the Canadian North in his widely-respected work, *The Canadian North: Issues and Challenges* (2012) as the Arctic and Subarctic regions which stretch across the three territories and the Northern halves of seven provinces (2012: 2-3). The two case-studies examined in this thesis are situated within the Arctic and Subarctic regions of the world. The Northern Administration District, which makes up the northern half of the Central Canadian province of Saskatchewan, is situated within Canada's Subarctic and the town of Kirkenes is located in the northeastern county of Finnmark in Norway, within the boundaries of the Arctic Circle (Government of Saskatchewan, 2014).



Bone argues that the north is seen in multiple ways none of which fully encompass the complexity of the region. He illustrates this point by describing three common images of the north: a northern resource Eldorado, a cold environment, and an Aboriginal homeland (2012: 4). Ultimately, he asserts that the differences between the North and the rest of Canada can be broken down into several factors which include the cold environment, the large territory almost equally divided between territorial and provincial norths, the small population and strong Aboriginal composition of this population, and the impacts of climate change on the north's physical geography and the preceding cultural, economic and political implications (2012: 4-5).

Another lens through which the challenges facing northern communities can be understood is outlined by Kenneth Coates in his thought provoking essay, "The Discovery of the North: Towards a Conceptual Framework for the Study of Northern/ Remote Regions." In this essay he argues against Northern exceptionalism or the study of the North as a unique region which by its fundamental distinctiveness resists comparison. Instead he argues in favour of comparative and interdisciplinary research in the study of Northern issues (1994: 18).

Coates argues that one of the best ways to understand the North is "by conceiving of the human populations in Northern areas as engaged in a series of struggles against a variety of forces external and internal, conceptual and physical" (1994: 37). He claims that these struggles have led to the development of a "culture of opposition" characteristic of Northern regions (1994: 42). This perspective emphasizes the socio-cultural factors which shape northern regions and their responses to the challenges they now face. By presenting the North in this perspective, Coates emphasizes the importance of research which seeks to understand the North in a comparative perspective to contribute to the understanding of broader trends and phenomena both within and outside of Northern regions. The comparative case-study approach utilized in

this thesis seeks to do precisely that, situating the two case studies within a broader northern context in order to determine more effective approaches to the implementation of CSR.

The struggles Coates goes on to list provide a contextual framework from which to understand and analyze the perspectives of the actors involved. The struggles he lists include climate and distance between Indigenous and Non-Indigenous peoples, between transients and permanent residents, between the region and nation, and between popular culture and reality (1994:40). All of these struggles are visible in the case studies examined more closely in the proceeding chapters.

One struggle he discusses which is particularly relevant to the discussion to follow is the struggle “between the source of the resources and global markets”:

Northern regions have considerable resources, albeit somewhat fewer than the inflated visions of most northern promoters. The north typically exercises little control over the resources. In most jurisdictions they come under the authority of national or non-northern subordinate governments, and when developed are exploited largely for the benefit of Southern interests. To add to the north’s vulnerability these resources are further dependent upon fluctuating world markets, which can stimulate intense interest or kill enthusiasm for northern projects. Given the north’s dependence on resource developments, market processes represent a further weakening of the north’s ability to determine its future (Coates, 1994)

This analysis illustrates the central struggle occurring in many cases of Northern resource development which necessitate CSR and other related undertakings: while resource extraction offers economic opportunities for Northerners, it also has the potential to result in a loss of some measure of their autonomy through resulting shifts in Aboriginal relations with other political actors and institutions (O’Faircheallaigh, 2010).

As Coates outlines above, these companies and the communities their operations affect are also actors engaged in a series of similar and interconnected struggles. Mining companies operating in the north face challenges in regards to climate and distance which are in many cases more severe than those faced by companies operating in other regions. They are one of many actors that play a role in Indigenous struggles for recognition and autonomy. Many transients in the north are there because of the opportunities offered by resource industries in these regions. This results in demographic shifts and often increases in tensions in these regions. These complex dynamics will be explored further in the proceeding sections and chapters.

This thesis will examine the role of government in the initiation and implementation of the CSR policies of two mining companies: Cameco Corporation which operates out of the Northern Administration District and Northern Iron Ltd. which has one operating mine near Kirkenes in the far northeastern part of Norway. These two case studies share many similarities. Both regions are rich in natural resources. Finnmark's economy is largely resource-based, centred on oil and gas, fishing, mining, and reindeer husbandry (Finnmark County Authority, 2015). The county also has substantial unrealized reserves of iron, copper, gold, silver, palladium, and platinum that offer substantial opportunities for expanded mining (Pettersen, 2010). The Northern Administration District's economy is also heavily resource-dependent, focused on mining, forestry, and traditional economic activities such as hunting, fishing, and trapping (Northern Development Ministers Forum, 2014). The mineral reserves in the region are substantial, with three uranium mines located in the Athabasca Basin accounting "for all of Canada's and about 17% of the world's uranium production" (Northern Development Ministers Forum, 2014).

Both regions are also experiencing demographic and socio economic challenges as a result of their unique histories and the challenges associated with resource development. The

Northern Administration District has a population of approximately 42,000, spread across 45 communities. The region has limited infrastructure, and its inhabitants have lower education levels compared to the rest of the province. Two thirds of the population are under the age of 35, and about 86% (ICNGD, 2015: 8) of the residents of the Northern Administration District are of Aboriginal heritage (Government of Saskatchewan, 2014). Finnmark County has about twice the population of the Northern Administration District with approximately 75,000 inhabitants spread across 19 municipalities (Finnmark County Authority, 2015). Of all the Norwegian counties Finnmark has the largest total land mass and smallest population. Similar to the Northern Administration District, Finnmark County's population is growing, primarily because of high birth rates and increasing immigration (Ibid.). Of the estimated 40,000 indigenous Sami that live in Norway, 25,000 are concentrated in Finnmark County (MRG, 2005). According to Statistics Norway, those Sami that are registered in the Sami census make up 18.8% of the population of Finnmark County (2010: 36). In 2005, *The Finnmark Act* transferred 95% of the area of Finnmark County to the inhabitants of the region in response to Sami demands for rights to lands and water (Solbakk, 2006). Additionally, there is a history of resistance to resource projects in Finnmark County which complicates future mining development in the region.

In the case of both Cameco and Northern Iron legal requirements played a major role in the initiation and implementation of CSR practices. Specifically, local employment practices of these two companies were influenced by legal requirements resulting in more effective redistribution of socioeconomic benefits for northern communities. This important finding provides important evidence to guide a discussion on the role of government in the implementation of CSR.

## 1.6 Research Process

Field research and analysis was conducted over a period of several months in the spring and summer of 2015 in Northern Saskatchewan and Northern Norway. This research and analysis can be divided into two parts: policy analysis, and interviews examining the implementation of the companies' CSR policies. Interviews were conducted with representatives of governments, communities, and mining companies. The interviewees included representatives of the institutions outlined in the table below.

*Table 1.1 Record of Interviews*

<b>Organization</b>	<b>Location</b>	<b>Interviewee(s)</b>	<b>Date</b>
Cameco Corporation	Saskatoon, Canada	Peter Dodson	March 27/15
Barents Institute	Kirkenes, Norway	Bjarge Schwenke Fors	May 4/15
Barents Observer	Kirkenes, Norway	Thomas Nilsen	May 5/15
Kompetansesenter (Adult Learning Centre)	Kirkenes, Norway	Urban Wrakberg, Ingvild Wartainen	May 5/15
Sami Parliament	Kirkenes, Norway	Marian Matka	May 5/15
Sydvarangar Gruve AS	Kirkenes, Norway	Kari Hermansen	May 6/15
Sor-Varanger Municipality	Kirkenes, Norway	Vegar Nilsen Trasti	May 6/15
Sami Parliament	Karasjok, Norway	Hege Fjellheim	May 7/15
Northern Research Institute (NORUT)	Alta, Norway	Vigdis Nygaard	May 8/15
Walleye Seminar	Missinipe, Canada	Kristin Cuddington	June 22/15
Walleye Seminar	Missinipe, Canada	Bonita Beatty	June 23/15
Walleye Seminar	Missinipe, Canada	Thomas Molloy	June 23/15
Walleye Seminar	Missinipe, Canada	Jamie Dickson	June 24/15
LLRIB Consultation Office (Lac La Ronge Indian Band)	Saskatoon, Canada	Naomi Carriere	August 21/15

Interviews in Northern Saskatchewan were limited by an influx of wildfires during the period of field research. Despite these challenges, information was collected from the

presentations of various members of industry and community at the 2015 Walleye Conference located in the NAD, as well as previous meetings and presentations with members of industry.

Analysis of CSR implementation is limited within the literature however several scholars have focused on the ‘on-the ground’ implications of mining companies’ CSR policies. These studies combined both quantitative and qualitative methodologies. For example, Bice utilized several methods, including data collected as part of a broader three year study, content analysis of five leading Australian mining companies’ sustainability reports, interviews with corporate-level managers and qualitative case studies in two rural Australian communities (2013: 141). Similarly, McKinley and Ranangen utilized a combination of literature reviews, document analysis, and interview-based case studies to explore the effectiveness of CSR implementation (2008; 2014).

Operationalization of CSR in these studies has varied. Bice focused on the “companies’ social, environmental and economic behaviours and impacts” (2013: 140). While Ranangen focused on four core subjects and their related variables: labor practices, the environment, fair operating practices, and community involvement and development (2014: 131). Since the primary question explored in this study relates to the role of government in the implementation and initiation of CSR policies and practices the questions focus on the formal requirements and socioeconomic benefits of the companies’ CSR practices.

The questions that were explored in the interviews are listed below:

1. Are there any formal requirements for CSR for mining in Norway/Saskatchewan? If so, how does it work? Is CSR becoming more important in Norway/Saskatchewan?
2. How do the mining company and the municipality work together? Does the company set employment goals, buying local services? If so, are they able to meet those goals?

3. What is the economic value of the mining company to the municipality? How many jobs does it create? What about jobs that provide contract services to the mine?
4. Are there differences between the mining industry and the oil industry?
5. What role did government play in the implementation of the company's CSR practices?

These questions are directly linked to broader questions of sustainable development for northern communities which will be expanded on below.

## **1.7 Importance of the Thesis**

Ensuring the sustainable economic development of Northern communities is directly tied to the socio-economic prosperity enjoyed by many people throughout the Circumpolar states (Duhaimé and Caron 2006). As the focus of Circumpolar states' future economic growth shifts further North, concerns about climate change and other environmental issues will continue to grow and receive greater attention on both the international and national stage. The need to ensure sustainable economic development for Northern communities will become ever more vital both for the communities themselves and for the wider national and global societies which benefit from the protection of vulnerable ecosystems, as well as the wealth produced by the resource extraction occurring within these regions.

The effective implementation of CSR has been the focus of a great deal of debate. In theory CSR plays a primary role, alongside environmental assessment and regulation in ensuring that mining companies take responsibility for their impacts on society. In practice, the question of



how best to reconcile mining and other forms of resource extraction with the principles of sustainable development is very much open to debate. This thesis seeks to add to the literature surrounding CSR and to suggest evidence-based solutions to the problems of sustainability presented by resource development in Northern communities.

## **CHAPTER TWO – THEMATIC LITERATURE REVIEW**

### **2.1 Introduction**

Beginning in the early 1960s and 1970s the mining sector became a focus of criticism from environmental groups for practices that were seen as detrimental to the environment (NRC 2003). Concerns have also been raised around the human rights practices of mining companies particularly in developing countries (De Geer et al., 2010). These concerns led policy-makers and industry leaders to integrate the concept of sustainable development into their guiding policies through the “triple bottom-line” approach which encourages corporations to strike a balance between financial, social and environmental concerns (PDAC, 2014). By the 1990s sustainable development had “become the driving standard behind all global environmental and development initiatives” (Dashwood, 2007:136) including many of the policies articulated by mining companies in Canada and Norway.

The concept of corporate social responsibility (CSR) was originally coined by two American scholars, A.A. Berle and C.G. Means, in the 1930s, shortly after the 1929 Wall Street Crash plunged the American economy into chaos (Klempner, 2006). However, modern popularization of the term occurred in response to widespread criticism of the social and environmental practices of corporations beginning in the 1960s. Since the publication of the 1987 Brundtland Report, CSR has been heavily promoted by governments, non-governmental organizations (NGOs), inter-governmental organizations (IGOs), and corporations as a means of achieving sustainable development in an increasingly globalized world. Mining companies in particular were instrumental in disseminating the global norms of CSR and sustainable

development through the policies of individual companies and through industry-wide initiatives such as the Global Mining Initiative (Dashwood, 2014). Although some have argued that CSR evolved out of a particular corporate-centred worldview that does not necessarily complement the diverse political and social arrangements within the circumpolar states, its voluntary nature and the inherent flexibility of the concept has enabled it to be successfully applied in a variety of political and social contexts (De Geer et al., 2010; Argandona and Hoivik, 2009). At the same time, CSR's inherent flexibility also makes it a difficult concept to define, and thus to measure.

For the purposes of this paper the concept of CSR will be broadly defined as “the responsibility of enterprises for their impacts on society” (EU Commission, 2014). A large number of global CSR initiatives were generated in response to the widespread criticism of the mining industry in recent decades. The CSR initiatives recommended by the Government of Canada alone include the Organization for Economic Cooperation and Development (OECD) guidelines, the Global Reporting Initiative (GRI), the ISO 26000 Guidance Standard on Social Responsibility (ISO 26000), the Voluntary Principles of Security and Human Rights, the UN Global Compact, the Equator Principles, the International Finance Corporation Performance Standards, the Extractive Industries Transparency Initiative (EITI), UN Principles for Responsible Investment, and Trace (Government of Canada, 2014).

The academic literature on CSR focuses on three main areas: the role of governments and corporations, the adoption of CSR policies, and the implementation of these policies. The key debates relating to the role of government focus on the shifting of government and corporate roles, and the implications of redistributive mechanisms such as contractual agreements for relations between actors. The section on the adoption of CSR policies considers a number of external and internal motivators for companies and the implications that the global evolution of

CSR has had on the companies themselves. The final section takes up the question of the level of regulation, if any, that should be applied to CSR and lists a number of approaches that have proven effective for implementation of CSR in various contexts.

## 2.2 The Role of Governments in CSR

The broadest questions which are raised in discussions regarding CSR and sustainable development relate to the role of governments and corporations. Perspectives on this matter fall into two broad categories: normative perspectives, which assert that governments and corporations *should* fulfill certain roles and act according to certain assumptions, most prominently the assumption that government and not corporations are responsible for the well-being of citizens and can more effectively distribute the benefits of resource development, and empirical perspectives which seek to understand *how* and *why* government and corporate roles have shifted in relation to CSR and sustainable development. There is, however, wide acceptance that the roles of these actors have shifted, although the questions of how and why are still matters of debate.

As many scholars have asserted, CSR is not a new concept, but rather “an ethical concept of social responsibility that has existed since before the Industrial Revolution” (Argandona and Hoivik 2009). However, according to the majority of the sources examined in this literature review, the contemporary use of the term CSR arose in response to the anti-globalization movements of the late 20<sup>th</sup> century. During this period, mining companies had come under criticism from social and environmental groups for certain practices which were viewed as potentially harmful (NRC, 2003; PDAC, 2014). The term CSR was used to refer to the ways in

which companies take responsibility for the harms their practices exact on society. According to the literature, many mining companies incorporated CSR into their policies, guidelines, and practices in response to the negative attention the mining industry was receiving from these groups (NRC, 2003; PDAC, 2014). The concept has since evolved into a wide-reaching policy instrument used by global, national, and regional levels of governance (Steurer, 2010). Mining companies engage in a broad range of CSR practices. Their diverse activities can be classified into typologies such as the one below (Natural Resources Canada, 2003: 22-23)

**Table 2.1 CSR Practises**

<b>Corporate Policies/Codes of Conduct</b>	<ul style="list-style-type: none"> <li>• Many companies reported on the existence of corporate policies dealing with social practices.</li> </ul>
<b>Aboriginal Partnerships</b>	<ul style="list-style-type: none"> <li>• Involving native and local populations;</li> <li>• Priority to hiring local and native people;</li> <li>• Policy for the advancement of Aboriginal peoples;</li> <li>• Financial contributions to the local heritage centre and local elders;</li> <li>• Uses traditional knowledge;</li> <li>• Impact and benefits agreements;</li> <li>• Facilities for storing and preparing food;</li> <li>• Fostering joint ventures with local Aboriginal enterprises.</li> </ul>
<b>Training, Education and Awards</b>	<ul style="list-style-type: none"> <li>• Training women;</li> <li>• Building schools;</li> <li>• Sponsoring local schools;</li> <li>• Investing in public and post-secondary education programs;</li> <li>• Scholarships;</li> <li>• Apprenticeship programs;</li> <li>• Contributions to university research projects;</li> <li>• Making presentations to local schools.</li> </ul>
<b>Labour Relations</b>	<ul style="list-style-type: none"> <li>• Career and financial counselling for employees and families;</li> <li>• Employee education programs;</li> <li>• Hiring Aboriginal employment and training officers;</li> <li>• Fly-in programs;</li> <li>• Retraining programs;</li> <li>• Hiring local students in a work experience program;</li> <li>• Holding mine rescue and first aid training at the mine sites and in the communities;</li> <li>• Banning alcohol and drugs from the mine site.</li> </ul>

<b>Community and Business Development</b>	Supporting local business: <ul style="list-style-type: none"> <li>• Preferential consideration to local and Aboriginal business proposals;</li> <li>• Community advisory panel;</li> <li>• Meeting regularly with local leaders;</li> <li>• Providing environmental monitoring reports to local people;</li> <li>• Studies and surveys to determine community needs;</li> <li>• Economic diversification strategies;</li> <li>• Technology and research and development partnerships.</li> </ul>
<b>Community Participation</b>	<ul style="list-style-type: none"> <li>• Building community centres and health facilities;</li> <li>• Consultations, tours, community visits and public information sessions;</li> <li>• Publishing of monthly community updates;</li> <li>• Reporting to local councils and regulatory agencies;</li> <li>• Funding for boys and girls clubs;</li> <li>• Annual donations to the local library and to local community groups and activities.</li> </ul>

The modern use of the concept of sustainable development also arose during this period following the term’s initial use in the 1987 “Brundtland Report”: *Our Common Future* (UN, 1987). According to Labonne’s broad policy analysis of contemporary trends in CSR the role of the mining industry was redefined in the context of sustainable development leading to a greater need for cooperation between governments, NGOs, and corporations at all levels (Labonne, 1999). The rise of neoliberal economics and the retreat of the welfare state during this period led to greater responsibilities and more enhanced roles for corporations in regards to the social and environmental wellbeing of affected communities (Steurer 2010). Thus the private sector found itself in “roles previously played by the state” (Heisler and Markey, 2013). In Heisler and Markey’s study of CSR in northwestern British Columbia this occurred through the integration of CSR into rural development policy by senior levels of government leading to the selective application of CSR principles to politically important, leading to competition between neighboring communities to “attract secondary benefits from resource development occurring within the region” (2013: 386).

If the proliferation of CSR policies within the mining industry does signal a shift from public to private forms of governance, the question remains as to what role if any government should play in the implementation of CSR practices. The majority of CSR scholars assert that CSR should remain voluntary in order for it to be effectively implemented in the diverse contexts in which companies are operating (Argandona and Hoivik, 2009; Metaxas and Tsavdaridou, 2010; Cheshire et al., 2011; De Geer et al., 2010). In fact CSR is in some cases defined as “corporate behaviour that exceeds legal requirements” (Bichta, 2015: 85). This definition demonstrates the entrenched assumption that CSR is a voluntary behavior which goes beyond regulatory regimes. In contrast to this view, a select group of scholars suggests that that government plays a greater role in the promotion and implementation of CSR than is commonly recognized.

Government involvement in the promotion and implementation of CSR takes a number of forms. One analysis published by the United Nations Global Compact argues that the policy choices available to governments include:

- Awareness-raising efforts to create a shared understanding of corporate responsibility among companies and the broader public, including what business can do to implement it.
- Partnerships designed to create win-win situations in which various stakeholders work collectively toward a shared goal.
- Soft law approaches that promote and incentivise voluntary action by business as a complement to state regulation.
- Mandating instruments that allow governments to monitor and enforce corporate accountability (Peters and Röß, 2010: 7)

Another perspective states that governments are “expected to play four key roles: mandating (legislative), facilitating (guidelines on content, fiscal and funding mechanisms, creating framework conditions), partnering (engagement in multi-stakeholder processes, stimulating dialogue) and endorsing (publicity)”. Additionally, one study by the Ministry of Foreign Affairs of the Netherlands found that “governments play a key role in mediating between sometimes conflicting corporate and development agendas, explicitly spelling out priorities for developmental impact and providing guidance on how to reach CSR goals” (2013: 13). Thus, involvement in the implementation of CSR gives government the opportunity to promote their own development agenda in cooperation with corporations.

Governments receive a number of benefits from the effective implementation of CSR practices. “Government encouragement of CSR stems from the understanding that CSR activities can assist governments in meeting societal needs” (Institute of Medicine, 2007: 1). It also enables governments to play a role in “rethinking the role of companies in society” (Albareda et al., 2007). Notably, the discussion surrounding the role of government in CSR emphasizes the importance of flexible policies which enable CSR practices to be implemented effectively in different contexts, a perspective which coincides with that of many scholars who claim CSR should remain voluntary (Albareda et al., 2007; Peters and Röß, 2010). Some scholars suggest that government involvement in the implementation and regulation of CSR may be growing, indicating the importance of further exploration of government involvement in CSR in order to promote the most informed and effective approaches to CSR practices ‘on the ground’ (Albareda, 2007; Dam, 2012)

The use of impact and benefit agreements (IBAs) in the Canadian context illustrates the shifting of responsibility from public to private actors in the mining sector. According to Fidler



(2008), IBAs are agreements negotiated between mining companies and indigenous communities to address environmental and social concerns. Alongside, environmental assessments (EAs), IBAs provide a primary mechanism for the redistribution of benefits from mining in Canada. There is virtually no government involvement in the negotiation of these agreements, which means that “a great deal of onus is put on the First Nations community to ensure the agreement provides fair benefits, compensation, etc., and that it achieves its goals from beginning to end” (66). This can result in particular challenges for communities that lack capacity. It has also resulted in a level of uncertainty regarding the long-term benefits and consequences of mining for these communities (Fidler, 2008).

O’Faircheallaigh, a renowned researcher in the area of CSR, argues that the proliferation of negotiated agreements (including IBAs) has substantial implications for relationships between Aboriginal groups, the state, and civil society including “access to judicial and regulatory systems”, “capacity to pursue wider political strategies in relation to mineral development”, “interaction with the state”, and the “nature of overall relations with mining companies” (O’Faircheallaigh, 2010: 75-76). His research into the related areas of environmental and social impact assessment also touches upon the questions of Indigenous and female participation in land management decision-making (Griffith University, 2015: 1).

This shift in roles raises a number of questions in regards to the well-being of society, most prominently debates around who should provide fair distribution of the benefits arising from resource extractive industries, and who should take responsibility for the well-being of communities and individuals within this context of shifting governance? Furthermore, what are the consequences of placing this responsibility in the hands of the state or in the hands of corporations and civil society? Some scholars argue that CSR contributes to the development of

relationships within civil society, relationships which do not have the opportunity to develop when social welfare is provided solely by the welfare state (Metaxas and Tsavdaridou, 2010; De Geer et al, 2010). While other scholars claim that civil society cannot provide effective distribution of these benefits, necessitating the need for state involvement (Bice, 2013; Broberg, 1996; Heisler and Markey, 2013; Knobbloch, 2013). Therefore, initiatives led by civil society have the potential to either skew the distribution of the benefits of industry or to lead to greater involvement by civil society and increased social solidarity depending on the perspective one takes.

### **2.3 The Adoption of CSR Policies**

The question of what motivates companies to adopt CSR policies is widely-debated within the CSR literature. This debate has implications for the wider agent/structure debate within political theory (Dashwood 2007). As such it is a heavily-charged topic with a wide variety of contributing perspectives. The clearest divide within the debate on the adoption of CSR policies relates to the question of external and internal motivators. Although this is not a clear-cut division with many scholars acknowledging the contribution of both external and internal factors to company decision-making, it provides a framework for understanding the diverse motivations that contribute to the actions of mining companies.

External motivators discussed in the literature include media pressures, home-country policies, the development of a culture of commitment within the industry, the need to improve public relations, the pressures of globalization and localization, transnational advocacy networks,

and global normative instruments (Bansal, 2005; Dashwood, 2014; Dashwood, 2005; Webb, 2012). Internal motivators identified by scholars include the quality of managerial leadership, the financial costs of social and environmental conflict, and the use of CSR as a tool to improve the images of companies (Dashwood, 2014; Franks et al., 2014; Pesmatzoglou et al., 2014). It is clear from this analysis that a number of factors both internal and external affect companies' decisions to adopt CSR policies.

The evolution of voluntary initiatives within the mining industry has been the focus of a great deal of scholarly interest across disciplines. Dashwood's historical analysis of early adopters within the industry provides a framework for understanding individual companies' decisions to develop or adhere to the standards set out in these initiatives. Her research suggests that the primary factors motivating companies to develop these initiatives were external pressures that arose during the 1990s, primarily environmental and social criticism of mining practices. She argues that individual companies' participation in the development of these initiatives varied based on the levels of leadership demonstrated by their management, and by the policies of their home countries. Dashwood claims that the convergence of these motivating factors has led to the development of what she terms a 'culture of commitment' within the industry (Dashwood, 2014).

Webb's analysis of the Canadian Multinational Mining Company (MMC) Goldcorp's adoption of CSR within the context of Guatemala confirms a number of Dashwood's assertions. He reframes CSR and the adoption of CSR policies in this case as a response to the twin pressures of globalization and localization, emphasizing the importance of home country factors and global normative instruments in motivating companies to adopt these policies. Webb also argues that transnational advocacy networks played a major role in motivating adoption of CSR

practices in the case of Goldcorp's Guatemalan operations (Webb, 2012). This case study and Webb's analysis illustrates the complex interrelationships between various local and global actors which acted in tandem to motivate the adoption of CSR policies in this context.

There are substantial differences between CSR in developed countries and CSR in developing countries. The contexts facing mining companies operating in developing contexts are often significantly more challenging than those facing mining companies operating in developed contexts. It is necessary to acknowledge that this thesis is examining the implementation of CSR practices in two developed contexts. Therefore research findings from studies which focus on developing contexts are not necessarily transferable to the developed contexts being examined here.

A significant gap that remains unaddressed in Webb and Dashwood's research is the question of how these policies are received on the ground. Interviews conducted by Dashwood focus on management within two Canadian mining companies supplemented by analysis of secondary sources, while Webb's article fails to identify his methodology, it is clear that his research drew upon documents produced by the company itself, and other national and international organizations including the Prospectors and Developers Association of Canada (PDAC), and the United Nations Development Programme (UNDP). These methodological approaches fail to address the inherent power imbalances and biases held by these distributors of information.

More critical perspectives regarding the adoption of CSR policies include those of Pesmatzoglou et al. and Seck. In contrast to Dashwood and Webb's interpretation of Canadian companies motivators for adopting CSR policies, Pesmatzoglou et al. argue that the primary motivation for companies is the opportunity to improve their images without altering their

practices ‘on the ground’. Furthermore, they claim that “E-MNCs have a shared responsibility in the underdevelopment of most of the ‘resource-rich’ countries, and in several cases, multinationals uphold corrupt governments that favour their interests” (Pesmatzoglou et al., 2014). In other words, the adoption of CSR policies by MMCs is primarily motivated by profit, a motivation that impedes the effectiveness of these policies ‘on the ground’, and which has in the view of Pesmatzoglou et al. resulted in other negative impacts for the states in which they operate.

A middle ground interpretation that offers the potential for reconciliation of these diverse perspectives is Steurer’s assertion that CSR started out as a neoliberal policy instrument but has evolved into a “more progressive approach of societal co-regulation in recent years” (Steurer, 2010: 49). This assertion is framed within a broader discussion which explores the development of CSR as a public policy within several European contexts (Steurer, 2010: 49). The extension of CSR into areas outside of its goals is illustrated by the inclusion of concepts such as govern (SLO) and the principle of ‘Free, Prior, and Informed Consent’ (FPIC) within the CSR and sustainable development literature.

The concept of a social license to operate (SLO) has been widespread within the mining industry since the 1990s and is often identified within the literature as a motivation for mining companies to engage in CSR practices. SLO “is understood to refer to ‘the ongoing acceptance and approval of a [project] by local community members and other stakeholders that can affect its profitability’” (Bice and Moffat, 2014: 257). It is a central concept in relation to mining and other extractive industries, but it is also a highly controversial topic. As Bice and Moffat assert

SLO speaks to some of the greatest challenges to sustainable development: the role of affected and distal communities in shaping development trajectories, increasing expectations on industries from communities and governments, unequal power relations between key stakeholder groups, the complexity of building meaningful and lasting

relationships between these groups based in mutual trust and the challenge of finding a common language and approach among stakeholder groups to achieve deeper, more mutually acceptable ways of coexisting (Bice and Moffat, 2014: 261)

However, they also argue that a number of fundamentally important questions remain unaddressed in relation to SLO, primarily those regarding measurement and monitoring of the concept as well as the “potential of SLO to empower community stakeholders and improve proponent accountability for impacts and benefits” (Bice and Moffat, 2014: 261). The limitations of the SLO concept are also emphasized in Brueckner et al.’s analysis of SLO and mining in western Australia, where the authors argue that the concept has been restricted to a form of “mere economic legitimacy” as a consequence of the government’s focus on resource-led growth (Brueckner et al., 2014: 315).

The principle of ‘Free, Prior, and Informed Consent’ (FPIC) is generally considered to have arisen in the mid-1980s in response to Indigenous peoples’ struggles for self-determination (Hanna and Vanclay, 2013: 150). The principle is explicitly outlined within international law in both the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and in the International Labour Organization (ILO) Convention 169 as “the obligation for governments and companies to engage impacted communities” (Hanna and Vanclay, 2013: 146). It is important to note that while FPIC has the potential to impact government and corporate actions in the case of Norway, it currently has limited potential to impact the behaviors of these actors in the Canadian context since unlike Norway, Canada is not a signatory to the UNDRIP.

FPIC is conceptualized in varying ways within the literature. Szablowski conceptualizes FPIC “as a form of negotiated justice that aims to produce regulatory decisions through horizontal and decentralized forms of engagement” (Szablowski, 2010: 316). Szablowski argues that “FPIC is a key principle being promoted in an attempt to reshape a broad family of

governance regimes designed to address the local consequences of extractive industry development in indigenous territory” (Szablowski, 2010: 316). Despite the support for the principle within many Indigenous groups, Szablowski asserts that FPIC is talked about everywhere but “practiced virtually nowhere”. He also asserts that states and extractive firms remain resistant to its operationalization (Szablowski, 2010: 127). In contrast, Hanna and Vanclay recommend that companies who wish to demonstrate respect for human rights, international law, and Indigenous peoples’ right to self-determination should use the principles as a standard for operationalization of their CSR policies (Hanna and Vanclay, 2013: 146).

Fundamentally, the principle of FPIC relates to the role that civil society plays in the redistribution of the benefits of mining and the potential for CSR to provide a platform for the democratization of voices within northern communities. The operationalization of this principle has the potential to provide greater community involvement in these redistributive processes and potentially the reduction of tensions between mining companies and communities. One of the main struggles that Coates argues northern communities face is between Indigenous and Non-Indigenous peoples, a struggle resulting at least in part from the unequal distribution of political and socioeconomic benefits between these two groups.

## **2.4 Implementation**

One of the major debates within the CSR literature concerns how CSR is implemented in order to achieve sustainable development goals. This question has major implications for the future of CSR, mining, and sustainable economic development. For mining companies, the costs of ineffective CSR implementation and ineffective community relations may be higher than previously thought, according to the results of a study by Franks et al. (2014) which concluded that “mining and hydrocarbon companies fail to factor in the full scale of the costs of conflict”

(1). The costs for communities are arguably even higher and can include impacts on their livelihood, displacement, major political implications, and negative cultural consequences (O’Faircheallaigh, 2010; Hanna and Vanclay 2013). While CSR policies are widely recognized and endorsed by governments, corporations, NGOs, and other organizations and networks across varying contexts, the best way to ensure that these policies are implemented is still open to debate.

One major question being examined in this debate involves the level of regulation, if any, that should be applied to the implementation of CSR. Those who advocate greater regulation of CSR implementation usually do so in response to the perception that CSR policies often do not translate effectively ‘on-the ground’. As Sara Bice suggests, “on-ground implementation fails to reflect policies ... [and as a result] whether CSR policies require greater regulation is worth exploring” (Bice, 2013). The need for greater regulation also emerges from contexts in which increased regulation by government entities is seen as the norm, such as in Scandinavia (Broberg, 1996). Bice’s analysis of two rural Australian mining towns illustrates some of the gaps between policy and practice in the implementation of CSR policies by mining companies. She asserts that through her examination of these two cases she was able to determine that:

On-ground CSR may diverge considerably from industry standards and corporate policies. Diffusion of these forms of CSR may contribute to unequal power relationships between companies and communities, thereby encouraging – again intentionally or unintentionally – community dependence on local mining companies. Within these paternalistic relationships recipients or CSR programme participants may feel unable to critique programme processes and outcomes. CSR, especially as we see it institutionalised in a multi-company town like Diggsville, may also create alternative competitive markets, which, in extreme instances, may result in coercion or even corruption. Given these findings, do CSR practices themselves require regulation? (Bice, 2013: 150)

These findings are echoed by Heisler and Markey’s examination of the relationship between rural communities and the mining industry in northwest British Columbia. They found that CSR



in this context distorted the political scales of benefit, resulting in the unequal distribution of the benefits obtained through mining between communities, and in the use of these benefits as a tool for mining companies to acquire political leverage. This was evidenced by the reduced number of benefits such as “corporate donations to local communities, preferential procurement and hiring practices, and investments in community infrastructure from CSR programs” being received by Non-First Nation local governments (Heisler and Markey, 2013: 387).

A number of other scholars stress the importance of CSR remaining voluntary and unregulated. They argue that primarily because “the implementation of CSR is a difficult task... [it] should not follow systematic rules or standards due to the fact that each country has a differing culture and unique social system.” (Metaxas and Tsavdaridou, 2010).

Advocates of CSR remaining voluntary tend to assert that the concept’s voluntary, flexible nature allows it to be applied effectively in different contexts. They stress the “ambiguous and shifting nature of corporate governance” (Cheshire et al., 2011) and assert that regulation would impede companies’ ability to adapt their practices to different contexts (Argandona and Hoivik, 2009). This perspective is clearly demonstrated by De Geer et al.’s (2010) analysis of CSR in Sweden. They argue that the flexibility of the concept allows for it to be adopted even within welfare states which are traditionally dependent on the state for provision of welfare (Ibid.). However, this approach often fails to consider the impacts that ineffective CSR practices have on affected communities and on society as a whole.

The literature reviewed in this analysis illustrates a number of approaches for CSR practice that have proven effective in different contexts. These include increased policy convergence between the three levels of government and systemic support of CSR initiatives (Danielson, 2004; Sagebien et al., 2008), mining companies using their specific skill sets to

support local communities (Jimena, 2006), structural change and professional development within the organization (Kemp, 2010), clear legal norms in home states (Seck, 2008; Dashwood, 2007), cross-cultural dialogue (Lertzman and Vredenburg, 2005), capacity-building and policy networking (Mate, 2001), partnerships between corporations, NGOs, and government (Pesmatzoglou, 2014; Pratt, 2001), technological innovation (MM, 2012), community involvement, revenue-sharing (MM, 2011; Knobbloch, 2013), and negotiated agreements (Fidler, 2007; Fidler, 2010).

One challenge facing mining companies is choosing between this wide range of approaches, and applying them in specific contexts. One overlapping theme which emerged from these approaches is the importance of adjusting CSR to the needs of the community (Jimena, 2006), and ensuring that communities have a voice within CSR processes (Lertzman and Vredenburg, 2005; MM, 2011). One theme which emerged is the importance of partnership and cooperation between various sectors in the face of shifting governance structures and environments (Pesmatzoglou, 2014; Pratt, 2001). Another strategy suggested by multiple sources, which deserves particular interest from governments, corporations, and NGOs seeking to ensure fair redistribution of the benefits obtained from resource extraction is revenue-sharing (MM, 2011; Knobbloch, 2013).

Another challenge for mining companies is turning CSR policies into effective CSR practices ‘on the ground’. Effective implementation requires management within mining companies to prioritize community relations and development (CRD) functions within their organizations (Kemp and Owen, 2013). This internal dimension of CSR is often overlooked by mining companies. According to Kemp and Owen, their failure to integrate CRD into their core business and decision-making makes it impossible for these companies to achieve their stated

goals of sustainable development (Kemp and Owen, 2013). Their research attempts to examine the institutional practices within companies that serve as barriers to the realization of sustainable development goals outlined in their CSR policies. The findings of this study echo those of Pesmatzoglou et al. regarding their claim that CSR policies function primarily as a profit-making mechanism. Kemp and Owen argue that the role of CRD within mining companies is poorly defined and primarily functions as a means for companies to “acquire or maintain access to land and other key resources” (Kemp and Owen, 2013: 529). It follows that greater definition and integration of CRD functions within companies would result in more effective implementation of CSR policies.

The role of government in ensuring effective implementation of CSR policies is particularly emphasized by some scholars such as Seck and Knobblock, who argue that voluntary initiatives do not necessarily lead to effective practices, and that government regulation may be necessary to ensure just practices and the fair distribution of mining related benefits (Seck, 2008; Knobblock, 2013). Knobblock suggests that policies such as the “Minerals Resource Rent Tax” instituted by the Australian government in 2012 could provide a more balanced redistribution of the benefits obtained through mining (Knobblock, 2013: 172). This suggestion is particularly relevant in light of criticisms regarding the unequal distribution of benefits in developed contexts such as northern British Columbia, Canada (Heisler and Markey, 2013).

Heisler and Markey argue that the distribution of benefits by mining companies is used as political leverage in this context to obtain political leverage and social license (Heisler and Markey, 2013). Government policies such as revenue-sharing have the potential to ensure equitable distribution and avoid similar outcomes to those described by Heisler and Markey in the implementation of CSR. However, one caution in regards to revenue-sharing agreements is

that the increased state involvement this entails may reduce the involvement of civil society in CSR, reducing potential opportunities for community input in decision-making and the development of relations between companies and communities.

Tri-sector partnerships between government, corporations, and civil society are another strategy that Pesmatzoglou et al. suggests would prove to be more effective than current practices employed within the mining industry. According to Pesmatzoglou et al., this would require a broadening of the CSR agenda by governments through the promotion of integrated policies (Pesmatzoglou et al., 2013: 201). They argue that these partnerships have the potential to provide integrated approaches to the environmental and social challenges facing mining companies that no single actor can provide. They add that “only if local communities are given a more important role in the negotiations with the companies will this partnership potentially result in the sustainable development of these regions” (Pesmatzoglou et al., 2014: 202). These themes of participation and collaboration appear throughout the CSR literature. However, it is only when these principles are put into practice that progress will be made towards achieving the common goal of sustainable development.

Following in this vein, some scholars see negotiated agreements such as IBAs as potentially effective approaches to achieving sustainable development. Assuming that they are paired with effective environmental assessments (Fidler, 2010), and that they address the wider implications of these negotiated agreements by paying careful attention to the provisions of these agreements with wider political ramifications (O’Faircheallaigh, 2010). O’Faircheallaigh argues that the sections of these agreements that relate to confidentiality, Aboriginal support for projects, and ongoing Aboriginal access to judicial and regulatory systems necessitate particular attention. Additionally, he claims that “care needs to be taken to ensure that negotiation

processes do not occur in isolation from community planning and decision making” in order to ensure that these agreements coincide with long-term community goals (O’Faircheallaigh, 2010: 83-84).

Fidler’s analysis of the Galore Creek case study in British Columbia, Canada illustrates how the overlapping implementation of both environmental assessments and negotiated agreements can “positively contribute to a successful mineral development, and hence operationalize sustainability within this context” (Fidler, 2010: 234). She asserts that in this case early Aboriginal engagement in the negotiated agreements maximized certainty for the industry and enabled the community to “supplement the roles afforded to them by the regulatory authorities and incorporate outstanding concerns above and beyond those set out in the EIA”, therefore guaranteeing and maximizing benefits to the community (Fidler, 2010: 241-242).

In contrast, Mills’ analysis of the Inuit and union participation involved in the Voisey Bay agreement suggests that more than environmental assessments and early engagement are necessary to ensure effective implementation of negotiated agreements between Aboriginal groups and mining companies. She argues that “IBAs often have not adequately protected the interests of workers or Aboriginal beneficiaries and resource development activities have often not provided the desired outcomes” (Mills, 2011: 119). Mills suggests that since many of the concerns around negotiated agreements have focused on their voluntary nature and their basis in contract law and since unionization has previously been used to “enforce IBA provisions by replicating provisions in collective agreements” unions could be utilized for this purpose in future cases (Mills, 2011: 119).

The use of FPIC as a standard for negotiated agreements is highly supported by international law. As Hanna and Vanclay assert IBAs do not necessarily imply that the principle of FPIC was applied in the negotiation of the contract. They argue that there are many situations in which this is the case, for example when agreements are signed as a result of coercion, when companies have not revealed all relevant information, when communities do not fully understand the implications of a project, and when agreements are not finalized prior to the project's commencement (Hanna and Vanclay, 2013: 153-154). They argue that companies which respect human rights and wish to support Indigenous peoples' struggle for self-determination should operationalize the principles of FPIC in their CSR policies and practices.

## **2.5 Conclusion**

This literature review has examined the key debates within the literature on CSR and sustainable development. It has also uncovered several key gaps within this discourse. The significant lack of community voices within most of this literature is of primary importance. While much of the discourse around CSR and mining stresses the importance of community engagement and input in the implementation of CSR practices, the absence of these voices within the literature itself suggests that this is not only a problem for mining companies. Allowing for the limits of time and research funding, this gap remains striking. Much of the literature which focuses on CSR is fractured, examining one aspect or another of this concept, such as the factors which motivate companies to adopt CSR policies or the adoption of these policies across different political contexts. The majority of these sources fail to outline how CSR practices can be implemented to achieve sustainable economic development 'on the ground'.

This research also seeks to examine the role of government in initiating and implementing CSR practices through the institution of legal requirements. As this literature review reveals, this is an under examined area within the literature. At the same time, it is an area of research which has potentially significant implications for the effective implementation of CSR by mining companies and the resulting impacts for northern communities. This discussion will be examined more closely in relation to the two northern case studies in the proceeding chapters.

## CHAPTER THREE – CSR IN PRACTICE

### 3.1 Introduction

This chapter will examine the use of CSR as a policy instrument which aims to contribute to sustainable development in northern communities. More specifically, this chapter will focus on the implementation of Cameco and Northern Iron's CSR practices on the ground and how these practices have been influenced by the respective histories of these companies, the contexts in which they work. It will conclude by exploring the policies and practices of these companies and the ways in which they contribute to sustainable development.

The two case-studies examined in this thesis were located in Finnmark County in northeastern Norway and in the Northern Administration District in Saskatchewan, a region which composes the northern half of the central Canadian province. The operations of the two mining companies examined here vary in multiple ways, from the minerals they mine, to the scale of their operations and the profitability of their enterprises. However, both companies also face challenges common to the Circumpolar North including distance, isolation, extreme weather, and challenging social contexts, which make them ideal for comparison.

The Canadian case-study focuses on Cameco Corporation, a well-established uranium mining company with operations in Saskatchewan, Australia, and Kazakhstan. Cameco was formed by the merger of two crown corporations in 1988 and its earliest operations were based out of the Northern Administration District of Saskatchewan, specifically in the Athabasca basin, a region located in the northwestern corner of the Canadian province. Cameco's presence in the NAD has brought economic development to a region which faces significant challenges in terms of infrastructure and education. The company's continued operation and the benefits accrued



from the company's world-renowned CSR practices are crucial to the region's future development.

The Norwegian case-study focuses on Northern Iron, a small Australian-mining company operating just south of the town of Kirkenes along the far northeastern part of Norway, very close to the border of Russia. The history of the town of Kirkenes is closely intertwined with that of the Sydvaranger iron mine. From the early 20<sup>th</sup> century the town grew up around the mine and generations of residents were employed there until the mine's closure in 1996. Following the shutdown of the mine, the region experienced a period of economic diversification as a result of tourism, government investment, and new business opportunities associated with its proximity to Russia and the strategic importance of the port of Kirkenes. In this context the reopening of the mine in 2009 has been controversial, particularly given the financial challenges the mine has faced during this period.

This chapter will examine the histories of Cameco Corporation and Northern Iron. The preceding sections will outline the evolution of the two companies' CSR policies and their practices 'on the ground'. The final section will summarize the findings of these studies and set out avenues for future research.

## **3.2 History of the Organizations**

This section will provide a detailed outline of the histories of these two companies and the contexts in which they are operating. The contexts facing these companies are important because they influence the development of CSR policies and practices. The table below outlines some of the key similarities and differences in these two case studies which will be expanded in further detail in the preceding sections.

*Table 3.1 Comparison of Cameco and Northern Iron*

	<b>Cameco</b>	<b>Northern Iron</b>
<b>Location</b>	Northern Saskatchewan	Northern Norway
<b>Company Origin</b>	Saskatchewan	Australia
<b>Mineral</b>	Uranium	Iron
<b>Timeline</b>	1988 – present	2009 – present
<b>Scale of production</b>	16% of world production	
<b>Net Profit margin</b>	18.78	0.0300
<b>Geopolitical Importance</b>	Provincial north	Borderland
<b>Regulatory requirements</b>	Surface lease requirements	Employment Protection Act
<b>Local employment (%)</b>	50% RSN employment 1500 Total employees	79% local employment 400 total employees
<b>Local procurement (%)</b>	71% (\$3 billion since 2004)	
<b>CSR Policy</b>	Yes	No

### **Cameco Corporation**

In 1988 Cameco Corporation was created by the merger of two Crown corporations: Saskatchewan Mining Development Corporation and Eldorado Nuclear Limited (Cameco Corp., 2015). Today, Cameco is a global leader in uranium production, providing about 16% of the world’s total production from operations in Canada, the United States, and Kazakhstan. They are also “a leading provider of nuclear fuel processing services” (Cameco Corp., 2015).

The Northern Administration District of Saskatchewan, which consists roughly, of the northern half of the central Canadian province, was the base for Cameco’s earliest operations (Government of Saskatchewan, 2014). three uranium mines located in the Athabasca Basin in the Northern Administration District “account for all of Canada’s and about 17% of the world’s uranium production – making northern Saskatchewan the second largest uranium producing region in the world” (Northern Development Ministers Forum, 2014).

The Northern Administration District has a population of approximately 42,000, spread across 45 communities. The region has limited infrastructure, and its inhabitants have lower

education levels compared to the rest of the province. Two thirds of the population are under the age of 35, and about 80% of the residents of the Northern Administration District are of Aboriginal heritage (Government of Saskatchewan, 2014).

## **Northern Iron**

Kirkenes is a small town located in Varanger municipality along the Varanger Fjord. It has a population of approximately 8000 people. The history of the town is intricately intertwined with the history of the Sydvaranger mine. Sydvaranger was primarily a state-owned mine from its conception in 1910 to its closure in 1996. During this period Kirkenes was almost solely a company town with generation after generation employed in the mine and government support provided to maintain the town extending to the provision of many benefits to citizens including swimming pools and other forms of infrastructure (Nilsen, 2015). As one interviewee explained, Kirkenes “would not have existed without the mining industry” (Barents Institute, 2015).

Iron ore was discovered in the region in 1906. From 1900 to 1910 the population in the region doubled and for the next several decades “mining was everything” (Ibid.). The state support received by the town and the mine was a part of the national strategy to keep the “Russians at bay”. However, in the 1980s the mine faced economic problems due to low iron ore prices, reduced government support, and the introduction of the glasnost policy which reduced the Soviet threat. This led to the gradual phasing out of the mine over a period of ten years from 1986 to 1996 during which time the economy was diversified through tourism and small enterprises (Ibid.).

Following the closure of the mine, the mine and the harbor, which was originally built to ship iron ore in the early 20<sup>th</sup> century, were given to the municipality and the local electric company. In 2006 the harbor drew the attention of a wealthy businessman by the name of Felix Tschudi who saw an opportunity in Europe's northernmost port. He bought the harbor and the mine and decided to re-establish the mine with limited investment. He formed Northern Iron with a number of business associates and the mine was reopened in 2009 (Nilsen, 2015). Subsequently, Northern Iron's relationship with the town of Kirkenes and its inhabitants has included far less community investment than the previous state-owned mine, contributing to tensions between the mine and community members.

### **3.3 CSR Policies**

This section will outline the CSR policies of the two companies. The differences between the companies' policies are significant. While Cameco's policy is clear, well-developed, and has been internationally lauded for its effectiveness, Northern Iron does not appear to have an official CSR policy. This absence made it necessary to examine the company's core values in order to gain insight into the culture and practices of the corporation. It is important to note that while Northern Iron does not have an official CSR policy they have nevertheless engaged in practices that clearly fall under the label of CSR. These will be elaborated on in the proceeding section.

## Cameco Corporation

Cameco's CSR policy has evolved throughout decades spent operating in northern Saskatchewan. They have instituted a number of programs and agreements with local communities including academic awards and scholarships, apprenticeship programs and work placements, counselling and wellness, and employee and family assistance programs. They currently have collaboration agreements with three communities in the NAD: English River, Southend, and Pinehouse, and are in the process of negotiating with the Lac La Ronge Indian Band and renegotiating a pre-existing agreement with the Athabasca Basin (Dodson, 2015).

Cameco's Corporate Responsibility team is responsible for the development and implementation of their five-pillar CSR strategy:

- workforce development
- business development
- community engagement
- community investment
- environmental stewardship (Cameco Corp., 2015)

While this strategy was originally developed in northern Saskatchewan it has since been exported to other areas including Australia. As the company website states, their "goal is to develop and maintain long-term relationships, and provide communities with employment and business development opportunities and capacity building" (Cameco Corp., 2015)

Cameco has been recognized for its progressive approach to Aboriginal relations. The company is the number one industrial employer of Aboriginal people in Canada. About half of

the employees at Cameco's northern mine sites are residents of Northern Saskatchewan, and about 90% of these residents identify as Aboriginal. "As well, 70% of the services Cameco's Saskatchewan operations use comes from northern businesses, many of which are Métis or First Nations owned. These businesses also make it their policy to ensure they hire Aboriginal people from northern communities" (MAC, 2014: 2)

Cameco Corporation is seen as an industry leader in sustainable development and corporate social responsibility. The Mining Association of Canada characterizes Cameco as "a global leader in Corporate Social Responsibility" (2014: 1). The company has "been honoured for progressive Aboriginal relations three times by the Canadian Council for Aboriginal Business in recognition of its commitment to recruit, retain and advance Métis and First Nations employees within the organization" (MAC, 2014: 2). This level of recognition demonstrates the effectiveness of their CSR policy and practices.

## **Northern Iron**

While Sydvarangar Gruve's website does not list an official CSR policy it does list several key strategic drivers:

- Safety, Health & Environment
- Productivity
- Reliability
- Competence and culture
- Sustainability

The company places significant emphasis on creating a "zero harm" culture in the workplace stating that "the safety of our people is fundamental to our business...[and] requires the ongoing commitment of everyone in the organization" (Sydvarangar Gruve AS, 2015).

While productivity, reliability, and sustainability do not closely relate to CSR but rather to branding and business practices, competence and culture can be linked to the company's social and economic CSR practices. As their website states "by training our employees into highly skilled and knowledgeable workers and by developing leaders that can drive behavioural and cultural change, Sydvaranger Gruve will be in a better position to deliver sustained improvements whilst also being an enjoyable place to work" (Ibid.). They further emphasize this perspective by stating that "Investment in our people through training and development will be a driver to our future success" (Ibid.).

### **3.4 CSR Practices**

This section will examine the two companies' CSR practices 'on the ground'. As mentioned in the thematic literature review, there is often a gap between what companies say they do and what they actually do. Therefore this section examines the area of implementation to determine how the companies' values and policies translate into practice.

#### **Cameco Corporation**

Northern and Aboriginal people have identified employment as "the most important social and economic opportunity flowing from mine developments in northern Saskatchewan" (McIntyre and Cook, 2002: 3). Cameco has undertaken several important strategies to facilitate the integration of Aboriginal northerners including "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" (McIntyre and Cook, 2002: 3) Cameco also works alongside

Aboriginal business development corporations such as the Kitsaki Development Corporation to facilitate economic development in the NAD (McIntyre and Cook, 2002: 4)

Other CSR initiatives developed by the company in the NAD include the northern preferred supplier program and direct source strategy to help support local businesses (Cameco Corp., 2015). As well there are programs that support the company's community engagement goals such as the Cameco Northern Tour, local community websites, community forums, project-specific engagement programs and mine tours (Cameco Corp., 2015). Another important focus for Cameco in northern Saskatchewan is "improving the lives of northern youth through education, sports, recreation and health promotion." Since 2004, Cameco has donated nearly \$14 million to northern and Aboriginal groups (Cameco Corp., 2015).

Cameco recognizes their environmental responsibility by encouraging local communities to participate "in the environmental assessment process and ongoing environmental monitoring activities" (Cameco Corp., 2015). Additionally, the company supports a number of programs that support their environmental stewardship goals including the Athabasca Working Group, Northern Saskatchewan Environmental Quality Committee and project-specific engagement programs. According to their website the company also meets "with individuals, including local trappers, and communities to assess the importance of traditional activities in relation to mining activities" (Cameco Corp., 2015).

Cameco has signed onto a number of community-based agreements in the NAD. In 1999 they signed an Impact Management Agreement with the Dene communities of the Athabasca Basin which "provides the communities with workforce development and dedicated engagement programs, community investment funding, and mechanisms to collaborate around environmental



stewardship” (Cameco Corp., 2015). In 2012 and 2013 they signed Collaboration Agreements with English River First Nation and the Metis community of Pinehouse which “establish a framework and guiding principles for long-term working relationships with the communities” (Cameco Corp., 2015). In addition there are a number of Trappers Compensation Agreements which “encourage trappers to continue trapping, and provide them with a yearly cash distribution and, for some, an allotment of fuel” (Cameco Corp., 2015).

One interviewee, the former head of the Lac La Ronge Indian Band’s Consultation Department stated that “in terms of engagement, Cameco is setting the bar. No other company is even close” (Carriere, 2015). She went on to outline what she sees as some of Cameco’s more effective initiatives in the area of community engagement including hosting open houses, meetings with leadership and communities, and using first-language videos to communicate with members of Aboriginal communities. She went on to add that this is “a win-win for them because if they provide the necessary information the community feels a level of comfort and security” (ibid.).

The importance of Cameco’s CSR activities in maintaining social relations was echoed by a current employee of the company, who asserted that local employment increases trust in communities since most people tend to trust their neighbours more than they trust government or industry. For her one sign of the effectiveness of their CSR policies and practices is that “Cameco continues to be able to operate in a very controversial industry and that’s indicative of social license to operate” (Cuddington, 2015). As was mentioned previously, most CSR is understood to be voluntary initiatives undertaken by companies to obtain SLOs. These two perspectives suggest that in the case of Cameco, their approach to CSR has contributed to them being able to obtain and maintain an SLO in the Northern Administration District.

## Northern Iron

Northern Iron has offered a number of benefits to employees and community members throughout the mine’s operation. These benefits included education for employees in Norwegian at the adult learning centre in Kirkenes. However, in January 2015 this was no longer offered, likely due to the financial challenges currently facing the company (Wartainen, 2015). They have contributed to the community by providing support for community activities such as the local volleyball team and providing opportunities for community consultation which are advertised in the local paper (Barents Institute, 2015). The company has also entered into an agreement with local Sami pertaining to the potential mine expansion (Hermansen, 2015). As one employee of the mine stated, Northern Iron’s “primary contribution to Kirkenes is tax money to employees and buying local products” (Ibid.), a statement indicating that despite the company’s lack of a written CSR policy it still contributes to economic development in the region through local employment and procurement.

*Table 3.2 CSR Practises of Cameco and Northern Iron*

	<b>CSR Practises</b>	<b>Cameco Corporation</b>	<b>Northern Iron</b>
<b>Corporate Policies/Codes of Conduct</b>	<ul style="list-style-type: none"> <li>• Many companies reported on the existence of corporate policies dealing with social practices.</li> </ul>	-Official CSR Policy	-No written CSR policy
<b>Aboriginal Partnerships</b>	<ul style="list-style-type: none"> <li>• Involving Native and local populations;</li> <li>• Priority to hiring local and Native people;</li> <li>• Policy for the advancement of Aboriginal peoples;</li> </ul>	<ul style="list-style-type: none"> <li>-cooperation with Aboriginal business development corporations to facilitate economic development</li> <li>-Three impact benefit agreements</li> <li>-Trappers compensation agreements</li> <li>-50% employment of northern</li> </ul>	<ul style="list-style-type: none"> <li>-agreements with local Sami pertaining to potential mine expansion</li> <li>-79% local</li> </ul>

	<ul style="list-style-type: none"> <li>• Financial contributions to the local heritage centre and local Elders;</li> <li>• Uses traditional knowledge;</li> <li>• Impact and benefits agreements;</li> <li>• Facilities for storing and preparing food;</li> <li>• Fostering joint ventures with local Aboriginal enterprises.</li> </ul>	<p>residents</p> <ul style="list-style-type: none"> <li>-number one industrial employer of Aboriginal people in Canada</li> </ul>	employment
<b>Training, Education and Awards</b>	<ul style="list-style-type: none"> <li>• Training women;</li> <li>• Building schools;</li> <li>• Sponsoring local schools;</li> <li>• Investing in public and post-secondary education programs;</li> <li>• Scholarships;</li> <li>• Apprenticeship programs;</li> <li>• Contributions to university research projects;</li> <li>• Making presentations to local schools.</li> </ul>	<ul style="list-style-type: none"> <li>-academic awards</li> <li>-scholarships</li> <li>-counselling and wellness</li> <li>-employee and family assistance programs</li> </ul>	-Norwegian language training
<b>Labour Relations</b>	<ul style="list-style-type: none"> <li>• Career and financial counselling for employees and families;</li> <li>• Employee education programs;</li> <li>• Hiring Aboriginal employment and training officers;</li> <li>• Fly-in programs;</li> <li>• Retraining programs;</li> <li>• Hiring local students in a work experience program;</li> <li>• Holding mine rescue and first aid training at the mine sites and in the communities;</li> <li>• Banning alcohol and drugs from the mine site.</li> </ul>	<ul style="list-style-type: none"> <li>-fly-in, fly-out work schedule</li> <li>-network of northern air traffic pickup points for employees</li> <li>apprenticeship programs</li> <li>-work placements</li> </ul>	
<b>Community and Business Development</b>	<p>Supporting local business:</p> <ul style="list-style-type: none"> <li>• Preferential consideration to local and Aboriginal business proposals;</li> <li>• Community advisory panel;</li> <li>• Meeting regularly with local leaders;</li> <li>• Providing environmental monitoring reports to local people;</li> <li>• Studies and surveys to determine community needs;</li> <li>• Economic diversification strategies;</li> <li>• Technology and research and development partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>-71% local procurement of goods and services</li> <li>-Community impact assessments</li> <li>-regular meetings with local trappers and communities to assess importance of traditional activities in relation to mining</li> </ul>	<ul style="list-style-type: none"> <li>-local procurement of goods and services</li> <li>-opportunities for community consultation</li> <li>-risk assessments</li> </ul>

<b>Community Participation</b>	<ul style="list-style-type: none"> <li>• Building community centres and health facilities;</li> <li>• Consultations, tours, community visits and public information sessions;</li> <li>• Publishing of monthly community updates;</li> <li>• Reporting to local councils and regulatory agencies;</li> <li>• Funding for boys and girls clubs;</li> <li>• Annual donations to the local library and to local community groups and activities.</li> </ul>	<ul style="list-style-type: none"> <li>-Cameco Northern tour</li> <li>-local community websites</li> <li>-community forums</li> <li>-project-specific engagement programs and mine tours</li> <li>-Over \$14 million in donations to northern and Aboriginal groups since 2004</li> <li>-GIS mapping of traditional ecological knowledge</li> </ul>	<ul style="list-style-type: none"> <li>-support for community activities e.g. local volleyball team</li> </ul>
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### 3.5 Comparative Analysis

The history of the Sydvaranger mine is closely connected to public perceptions of Northern Iron’s CSR practices. The contrast between the benefits received from the town when the mine was state-run and the support currently received now that it is run by a small private company has contributed to tensions between public officials, community members, and the mine. Shifts in tax law which have reduced the benefits to municipalities, as well as environmental concerns over the dumping of tailings in the local fjord have also contributed to tensions within the community in relation to the mine (Barents Institute, 2015; Nilsen, 2015; NORUT, 2015).

It is important to note the differences in the scale of these companies’ operations and the profits which they are generating as these factors have a huge impact on the companies’ ability to provide effective CSR. As one employee at the Sydvaranger mine noted Northern Iron is no longer able to provide coffee to employees due to their low profit margin and subsequent financial constraints. Cameco’s operations are significantly larger in scale and less-affected by global markets as the demand for uranium is ongoing and dependable. This results in greater opportunity for Cameco to maintain effective community relations through CSR.

The case of Cameco demonstrates that the effective implementation of a well-developed CSR policy can contribute to the reduction of tensions in northern context. As one representative of the company explained, the company has always had a high approval rating. As of fall 2014 it was at 79%. Even following the Fukushima disaster in Japan, the company maintained a 70% approval rating (Dodson, 2015). CSR makes good business sense for Cameco, reducing tensions, and providing the company with an exceptional reputation (Ibid.). As one former employee of Cameco asserted CSR has provided the company with significant business value including competitive advantage with regard to hiring and retaining northern employees, a strong track record within the industry, and the avoidance of costly regulatory delays (Dickson, 2015)

These two case studies suggest that an effective CSR policy which clearly addresses social and environmental concerns has the potential to reduce tensions between the mine and community members.

## CHAPTER FOUR – ROLE OF GOVERNMENT

### 4.1 Introduction

This chapter takes up the task of exploring the significant gap in the literature relating to the role of government in the implementation of CSR practices. According to Pal's framework for public policy analysis, the implementation of a policy to achieve a desired goal, in this case sustainable development in the context of mining, addresses the gap between reality and the desired state of affairs. Therefore, this section seeks to examine the role that government can play in addressing this gap using the policy instrument of CSR.

The majority of the literature on CSR assumes that CSR practices are voluntary initiatives utilized by companies in order to obtain a social license to operate. This perspective asserts that the voluntary nature of CSR allows it sufficient flexibility to be utilized in differing contexts (Metaxas and Tsavdaridou, 2010; Cheshire et al., 2011; De Geer et al., 2010; Argandona and Hoivik, 2009). Discussion around the role of government primarily addresses questions of shifting responsibility for redistribution from government to corporations (Heisler and Markey, 2013; O'Faircheallaigh, 2010). While a few scholars have delved deeper into the question of regulation of CSR, examining the roles that governments currently play in the initiation and implementation of CSR practices (Peters and Röß, 2010: 7).

In the case studies examined in this thesis, legal requirements played a major role in facilitating the redistribution of the benefits of mining operations to local communities. This chapter will more closely examine the legal requirements which shaped the CSR practices of Northern Iron and Cameco. In the case of Northern Iron the *Working Environment Act* forced the company to shift to an increased proportion of local workers in order to comply with regulations regarding working hours. In the NAD, the *Mine Surface Lease Agreements* instituted by the

Government of Saskatchewan ensured the redistribution of social and economic benefits to northern communities and played a major role in the development of Cameco's world-renowned CSR policy and practices.

This chapter will provide an in-depth examination of the role of government in CSR. For the purposes of this thesis, governments will be taken to refer to central governments, in these cases provincial, and unitary authorities who retain the legal authority to grant licenses to mining companiescorp. Specifically, it will focus on how legal requirements have shaped the CSR practices of Cameco Corporation and Northern Iron in respect to local employment and other forms of redistribution. It will conclude by examining the implications of this finding for the implementation of CSR.

## **4.2 The Role of Government within the Literature**

The majority of the academic literature on CSR assumes that CSR practices are voluntary initiatives undertaken by companies for the purpose of obtaining a social license to operate. These scholars tend to emphasize the importance of CSR remaining voluntary in order to ensure that it can be flexibly applied in differing contexts (Metaxas and Tsavdaridou, 2010; Cheshire et al., 2011; De Geer et al., 2010; Argandona and Hoivik, 2009). When the topic of government does arise scholars are primarily concerned with the implications of shifting responsibility for redistribution from governments to corporations through contractual agreements and other forms of CSR (Heisler and Markey, 2013; O'Faircheallaigh, 2010).

Some exceptions to this trend assert that government can play a role in the initiation and implementation of CSR practices through raising awareness, partnership arrangements, the implementation of soft law approaches, and monitoring and enforcing CSR (Peters and Röß,

2010: 7). This perspective indicates a potential role for government in addressing the broader question of redistribution of both the benefits and externalities associated with mining. Phrased differently, CSR asserts that companies should take responsibility for the social and environmental impacts of their operations on society. Contractual agreements such as IBAs make corporations responsible for the provision of some socio-economic services to select portions of society.

The literature on the implementation of CSR casts doubt on the effectiveness of voluntary initiatives, suggesting that voluntary initiatives have the potential to be ineffective or in some cases damaging (Heisler and Markey, 2013; Bice, 2013). It also provides a great deal of support for cooperation between corporations, government, and NGOs through tri-sector partnerships or other forms of collaboration (Pesmatzoglou, 2014; Pratt, 2001). Interestingly, there is also significant support for the institution of government-regulated redistributive mechanisms such as revenue-sharing within the literature (MM, 2011; Knoblock, 2013).

### **4.3 Legal Requirements and CSR practices**

It is necessary to differentiate between two types of mechanisms utilized by government in the case studies below: enforcement mechanisms such as the actions of the Norwegian Labour Inspectorate in response to Northern Iron's failure to shift to local employment, and agreements which outlines outcomes or targets such as the Mine Surface Lease Agreements (MSLAs) utilized in the Cameco case study. The question that prompts this discussion is where the boundary lies between regulation and CSR. Enforcement mechanisms are by definition regulatory while CSR is defined within this thesis as corporate actions that go beyond a



company's core productive activities as well as the bounds of enforceable legal requirements and provide benefits for society.

While the actions of Northern Iron in shifting towards greater local employment do not fit within this definition due to the enforcement mechanisms which triggered this shift, Cameco's CSR practises fulfill all three of the conditions outlined in this definition. Therefore, despite the level of government involvement in motivating their actions and providing them with accountability mechanisms their actions can still be viewed as CSR practices. Targets such as those outlined in the MSLAs do not limit companies' flexibility to respond to diverse circumstances rather they provide clearer objectives which have the potential to provide greater benefits for society.

This section will examine the forms of legal requirements which impacted the CSR practices of Cameco and Northern Iron. The table below outlines these legal requirements and the CSR practices of these two companies.

**Table 4.1-1 Presence of Legal Requirements and CSR Practices**

<b>Areas of CSR practice</b>	<b>Legal Requirements Cameco</b>	<b>Legal Requirements Northern Iron</b>	<b>CSR Practices Cameco</b>	<b>CSR practices Northern Iron</b>
<b>Corporate Policies/Codes of Conduct</b>	-not required	-not required	-Official CSR Policy	-No written CSR policy
<b>Aboriginal Partnerships</b>	- <i>Employment Commitment</i> - work towards 67% local employment - <i>Compensation commitment</i> – provide compensation for the loss of commercial income resulting from the lease of the land	- <i>Working Environment Act</i> - sections governing offshore rotation and working hours	-cooperation with Aboriginal business development corporations to facilitate economic development -Three impact benefit agreements -Trappers compensation agreements -50% employment of northern residents -number one industrial employer of Aboriginal people in Canada	-agreements with local Sami pertaining to potential mine expansion -79% local employment
<b>Training, Education and Awards</b>	- <i>Employee education and training commitment</i> – maximize training and job advancement opportunities for northerners - <i>Education promotion commitment</i> – work with other companies, government and northern schools to plan and implement programs that encourage northern students to complete high school, pursue higher levels of education and consider professional careers related to the mine industry		-academic awards -scholarships -counselling and wellness -employee and family assistance programs	-Norwegian language training

<b>Labour Relations</b>	- <i>Employee services commitment</i> - provide employees with on-site services and counseling programs		-fly-in, fly-out work schedule -network of northern air traffic pickup points for employees apprenticeship programs -work placements	
<b>Community and Business Development</b>	- <i>Northern business participation commitment</i> – work towards a goal of northern businesses supplying 35% of total goods and services		-71% local procurement of goods and services -Community impact assessments -regular meetings with local trappers and communities to assess importance of traditional activities in relation to mining	-local procurement of goods and services -opportunities for community consultation -risk assessments
<b>Community Participation</b>	- <i>Community Vitality Commitment</i> - assess community vitality challenges such as the social wellbeing and quality of life of residents - <i>Public involvement commitment</i> – consult with and inform northerners about their operations in northern Saskatchewan		-Cameco Northern tour -local community websites -community forums -project-specific engagement programs and mine tours -Over \$14 million in donations to northern and Aboriginal groups since 2004 -GIS mapping of traditional ecological knowledge	-support for community activities e.g. local volleyball team

**The Working Environment Act**

While Northern Iron does not appear to have an official CSR policy, they are required to fulfill certain local employment requirements under Norwegian law. The *Working Environment Act*, also referred to as the *Employment Protection Act*, allows companies to maintain offshore rotation of employees for limited periods during certain conditions such as the start-up of a mine.

Northern Iron received this exemption during the start-up period of the Sydvarangar Mine for two years. After “this exemption period passed, the company still had a major part of the workers with offshore rotation - not only the long distance commuters, but also the local workers. Within a year they were forced by the Labor Inspection Authority to change the rotations system” (NORUT, 2015). Employment in the mine is now 79% local and complies with the working hour requirements outlined in the *Working Environment Act* (NORUT, 2015; Hermansen, 2015).

The *Working Environment Act* of June 17, 2005 outlines the regulations instituted by the Norwegian government in regards to working environment, working hours, and employment protection. The sections relevant to this discussion are those regarding working hours. The purpose of chapter 10 of the *Working Environment Act* is made clear in section 10.2 which states that “Working hours shall be arranged in such a way that employees are not exposed to adverse physical or mental strain, and that they shall be able to observe safety considerations” (Directorate of Labour Inspection, 2013: 26). Article 1 of Section 10.4 of the *Working Environment Act* states that “Normal working hours must not exceed nine hours per 24 hours and 40 hours per seven days” (Ibid.).

While they were likely not intended for the purpose, these sections ensured that the town of Kirkenes received increased economic benefits from the presence of the Sydvarangar mine through high levels of local employment. As researchers from the Northern Research Institute in Norway explained:

The Employment Protection Act (*Arbeidsmiljøloven*) regulates the working-hours and shift/rotation. The law is relative strict as a result of a strong tripartite cooperation between employers, unions and government. Shifts with particular long hours and long periods of “free time” are only permitted offshore (offshore rotation). Other industries can apply for exemptions from the Act for a maximum of two years. Startup of a mine is an example, but after this exemption period passed, the company still had a major part of the workers with offshore rotation - not only the long distance commuters, but also the local workers. Within

a year they were forced by the Labor Inspection Authority to change the rotations system. It is now within the legal frames of the Employment Protection Act. (Norut, 2015 - see Appendices III, IV, and V for copies of the Norwegian Labour Inspection Agency's orders to Northern Iron).

It is clear from this description that regulations governing working hours played a significant role in motivating the company to shift to more localized employment. This testimony is further corroborated by an employee of the mine who stated that 79% of the mine's employees are now local though the proportion of local employees started off much lower (Hermansen, 2015).

### **Mine Surface Lease Agreements**

Cameco's CSR policy evolved out of the necessity to meet the province of Saskatchewan's *Mine Surface Lease Agreements* (see Appendix I for a copy of the *Mine Surface Lease Agreement*) which require uranium companies operating in the NAD to agree to and be accountable for eight "northern commitments". These commitments include working towards 67% employment of northern residents and procuring 35% of their goods and services locally (Dodson, 2015). Due to low levels of education in the NAD, fulfilling the employment requirements has proved challenging. Today, approximately 50% of Cameco's employees are northern residents and 71% of the goods and services utilized by the company are procured locally (ibid.).

The first *Mine Surface Lease Agreement* was instituted by the Government of Saskatchewan in 1978. These agreements are designed to "address broader social and economic questions, such as worker health and safety protection, environmental protection, and the distribution of economic benefits" (McArthur, 2015). In addition, mine operators are also

expected to negotiate and enter into *Human Resource Development Agreements* for each mine site. These agreements focus on “recruiting, hiring, training and job advancement opportunities for residents of Saskatchewan’s north and are signed by the mine operator and the Ministry of the Economy” (Government of Saskatchewan, 2013: 2).

All mining companies operating in the NAD are required to make four northern commitments under the *Mine Surface Lease Agreements*. Uranium mining companies are required to make an additional four agreements. In all cases the mine operators are expected to report on these commitments to the province to ensure accountability, measurement, and to enable effective planning of future programs. The northern commitments are listed below:

**Table 4.1-2 Northern Commitments**

<b>ALL MINING COMPANIES</b>	<b>URANIUM MINING COMPANIES</b>
Employment and job forecasting	Employee services
Employee education and training	Education promotion
Business participation and opportunity forecasting	Community vitality
Compensation for income loss to a prior leaseholder	Public involvement

As described in the previous chapter, Cameco has been particularly successful at achieving these northern commitments. They have attained 50% employment of northern residents and have instituted programs that aim to build capacity in order to increase the number of northerners employed beyond entry-level jobs (Dodson, 2015). One of the northern commitments for uranium mining companies is to assess “community vitality challenges such as the social well-being and quality of life of residents” through initiatives which include youth

groups, a youth conference, and studies of issues of interest to northern communities such as the impact of fly in/ fly out work rotations on families and challenges to post-secondary education (Government of Saskatchewan, 2013; Cameco, 2015). It is clear that the *Mine Surface Lease Agreements* played a major role in the evolution of Cameco's CSR policy and continue to provide measures of accountability that facilitate effective planning and programming.

Two particularly interesting aspects of the *Mine Surface Lease Agreements* are that they defined goals rather than processes, and that they have evolved over time in response to changing circumstances and recommendations. For example, the Community Vitality Committee was instituted in 1999 in response to recommendations presented by the "joint Federal-Provincial Panel on uranium mining developments in northern Saskatchewan in the 1990s" (Government of Saskatchewan, 2013: 9). While uranium mining companies operating in the NAD are expected to work towards the eight northern commitments and report back on their efforts they are given the freedom and flexibility to do so over time and in their own way. This creates an ideal situation for the implementation of CSR: companies are able to adapt to changing circumstances, but they are also accountable for their progress. This ensures the redistribution of socioeconomic benefits to communities and the development of relations between community members and the mining companies.

#### **4.4 Comparative Analysis**

The two case studies described above demonstrate how legal requirements can ensure effective local redistribution of the benefits of mining operations. Furthermore, Cameco's exceptional performance in the implementation of CSR practices demonstrates how legal

requirements instituted by government can function as a driver of CSR policy and practice. In the case of Cameco these requirements led to the development and integration of a corporate culture which includes CSR as a core business approach. This benefits the company itself and the communities affected by their mining operations. As one employee asserted, Cameco's CSR practices have resulted in value-added to the company through the development of positive community relations and a sustainable workforce (Dodson, 2015).

In the case of Northern Iron legal requirements led to greater local benefits in the absence of a written CSR policy. Although it is impossible to say what would have occurred in the absence of these legal requirements, it is clear that they had a major impact on the redistribution of social and economic benefits in Kirkenes. In conclusion, these two case studies suggest that there may be a greater role for government in ensuring effective implementation of CSR practices, which could lead to more equitable distribution of the benefits of mining.



## CHAPTER FIVE – CONCLUSION

### 5.1 Conclusion

As communities across the Circumpolar North continue to experience the pressures resulting from climate change and resource development policy-makers will continue to be faced with the need to move towards sustainable development in this region. One of the instruments at their disposal is corporate social responsibility.

This thesis examined the role of government in the initiation and implementation of CSR. On an empirical level this contributes to the academic literature by exploring examples of CSR implementation ‘on the ground’, an area which is currently limited within the literature. On a theoretical level, few studies examine the role of government in the initiation and implementation of CSR. Therefore, this research seeks to address these gaps.

The evidence presented by the two case studies suggests that government may have a larger role to play in the implementation of CSR than is suggested by the literature. Not only did legal requirements contribute to the initiation and implementation of CSR practices in these two case studies, they may, as in the case of Cameco, motivate companies to innovate and expand beyond those legal requirements to provide greater social and economic benefits to communities than they otherwise would.

On a broader note, the question of which factors result in effective CSR continues to loom heavily. While the case studies above suggest that a greater role for government may improve outcomes for communities, they also demonstrate the importance of other factors such as strong commodity markets in determining the capacity of companies to provide effective CSR. In the case of Northern Iron, sharp drops in iron ore prices led to significant reductions in

the company's profit margin and their capacity to contribute to the communities in which they are located. One factor which stood out in the case of Cameco was the integration of the values of CSR into the company's policies and practices. This was an internal shift, occurring over time within the organization which was originally triggered by the legal requirements outlined in the MSLAs.

It is necessary to return to the differences between legal requirements which act as enforceability mechanisms and those that act as accountability mechanisms and the implications of these differences for our conception of CSR. Legal requirements such as those demonstrated in the *Mine Surface Lease Agreements* can provide measurable goals and a structure in which companies can work towards achieving them. Rather than restricting the ability of companies to respond flexibly in different contexts these agreements allow them to work towards achieving these goals in a way that plays to the strengths of the company while simultaneously giving them greater insight into the contexts in which they work and the challenges their CSR practices should seek to address. At the same time, this thesis argues that the actions of the company remain CSR instead of merely legal compliance due to the lack of enforcement mechanisms present in these agreements.

As a limited number of authors assert the Cameco case study demonstrates that increased government involvement in CSR has the potential to result in improved outcomes for communities (Albareda et al., 2007; Peters and Röß, 2010). However, this does not necessarily negate the views of the many scholars who stress the importance of CSR remaining voluntary and flexible in diverse contexts (Argandona and Hoivik, 2009; Metaxas and Tsavdaridou, 2010; Cheshire et al., 2011; De Geer et al., 2010). The Cameco case study illustrates how government involvement can provide targets rather than enforcement of CSR practices. This approach

ensures that the actions of companies remain within the voluntary realm of CSR, outside of regulated areas of activity such as environmental assessment, while still providing a level of accountability and incentive for companies to achieve the predetermined outcomes.

As Heisler and Markey's research demonstrates, lack of government involvement in CSR can result in the unequal distribution of the benefits of resource development (2013). This research examined how government can play a role in the initiation and implementation of CSR practices and in doing so contribute to reducing outcomes such as those described by Heisler and Markey (ibid.). While there have been a number of authors that have examined CSR and mining through a critical lens, suggesting greater government involvement in the initiation and implementation of CSR (Bice, 2013; Broberg, 1996; Knoblock, 2013) very few scholars have examined what this would look like in practice. This research has addressed this prominent gap within the literature and the findings suggest that this may be an area worth exploring further since in both case studies government involvement resulted in better economic outcomes for communities than may have been present otherwise.

The scope of this research is clearly limited by the number of cases and contexts examined in this study. Given the potential that these findings offer for ensuring more effective ways of implementing and promoting effective CSR practises and the corresponding socio-economic benefits for northern communities, it would be worthwhile to examine the role that legal requirements have played in the development of other companies' CSR practises across industrial sectors and jurisdictions. Additionally, this study focused largely on local employment as an indicator of effective CSR. It would be worthwhile to more closely examine the impact of legal requirements on the social and environmental dimensions of CSR in this and other cases to

provide a clearer analysis of the scope and effectiveness of legal requirements as a motivator and enforcement mechanism for CSR.

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## **Appendix I Surface Lease Agreement 2014**

Generic Uranium Surface Lease Agreement Version Jan 2014

**Project Name**

**SURFACE LEASE AGREEMENT 2014**

**Between**

**The Government of Saskatchewan**

**and**

**(Names of Project Owners)**

**and**

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**Appendices**

"A" \_\_\_\_\_(Title)\_\_\_\_\_ Surface Lease Map

"B" Occupational Health and Safety of Workers

"C" Social and Economic Benefits Commitments

"D" Reporting Requirements

"E" Glossary of TermsGeneric Uranium Surface Lease Agreement Version Jan 2014 1

**LEASE AGREEMENT**

**THIS AGREEMENT**, effective \_\_\_\_\_ 20 \_\_\_\_\_

**BETWEEN:**

**The Government of Saskatchewan** as represented by the Minister of Environment and the Minister Responsible for First Nations, Métis and Northern Affairs, (hereinafter referred to as the "**Minister**")

- and -

**Names of owners** and how they are incorporated, (i.e a corporation incorporated under the laws of Canada and registered to carry on business in the Province of Saskatchewan, (hereinafter referred to as the "Lessee" or collectively referred to as the "Lessee").

**WHEREAS:**

The Lessee is the registered owner of Mineral Lease # \_\_\_\_\_ and \_\_\_\_\_ dated \_\_\_\_\_.

*Brief historical background of the property (previous owners and work done on the property) and work leading up to the development decision.* Generic Uranium Surface Lease Agreement Version Jan 2014 2

It is the intention of the Minister and (Names of companies) to negotiate a new lease providing Crown land surface rights necessary to accommodate the planned development (briefly describe the development).

The Province of Saskatchewan is the owner of the Lease Lands and has agreed to grant such application for a Surface Lease under the authority of The Forest Resources Management Act, The Provincial Lands Act, and

Names of the companies and the Minister acknowledge that this Agreement does not abrogate or derogate from any existing Aboriginal and treaty rights of Aboriginal peoples of northern Saskatchewan that are recognized and affirmed by Section 35 of The Constitution Act, 1982.

**NOW THEREFORE** the Parties agree as follows: Generic Uranium Surface Lease Agreement Version Jan 2014 3

**PART I**

**INTERPRETATIONS**

**Article 1.0 DEFINITIONS**

1.1 In this Agreement and in the Appendices, unless there is something in the subject matter or the context inconsistent therewith, the terms and expressions defined in Appendix "E" (Glossary of Terms) shall have the meanings given to them therein.

**Article 2.0 INTERPRETATION**

2.1 For greater clarity, in this Agreement:

(a) the Minister of Environment is responsible for administering Part II and Part III;

(b) the Minister of Government Relations is responsible for administering Part V; and

(c) All other Parts of the Agreement are the responsibility of both the Minister of Environment and the Minister of Government Relations.

2.2 The division of this Agreement into Parts and Articles and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

2.3 In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

(a) the singular shall include the plural and the plural shall include the singular; and

(b) the masculine shall include the feminine or neuter where the context so requires.

2.4 The Appendices attached hereto and forming part of this Agreement as of the effective date of this Agreement are as follows:

Appendix "A" \_\_\_(Title and Details of the Surface Lease Map)\_\_\_

Appendix "B" Occupational Health and Safety of Workers

Appendix "C" Social and Economic Benefits Commitments Generic Uranium Surface Lease Agreement Version Jan 2014 4

Appendix "D" Reporting Requirements

Appendix "E" Glossary of Terms

To the extent that any provision of Appendix "A" or "B" is inconsistent with the body of this Agreement and/or Appendices "C", "D" or "E", the body of this Agreement and/or Appendices "C", "D" and "E" shall prevail.

2.5 In the event that any other legal entity owned, directed or controlled by the Lessee or any of the corporations referred to herein collectively as the Lessee becomes the operator of the (name of project), then the said entity shall become a Party to this Agreement and all references applicable to the Lessee hereunder as operator shall be interpreted as referring to the said entity. The Lessee shall ensure that the said entity assumes and performs all the obligations and responsibilities of the Lessee hereunder as operator.

2.6 It is agreed that all covenants, undertakings, and agreements of the Lessee under this Agreement shall be joint and several as among the Parties hereto that comprise the Lessee and their permitted successors and assigns.

2.7 The Lessee shall ensure that any third party undertaking any of the obligations of the Lessee under this Agreement shall comply with the spirit and intent of this Agreement and all requirements imposed on the Lessee as may be applicable to the third party.

2.8 Any reference herein:

(a) to any Act or to any Regulation made under any Act is a reference to Saskatchewan laws unless otherwise specifically indicated;

(b) to any Act or to any Regulation made under any Act includes a reference to all orders and statutory instruments made pursuant to that Act or Regulation; and

(c) to any Act or to any Regulation made under any Act includes a reference thereto as may from time to time be re-enacted, amended, revised or consolidated, or to any Act or Regulation from time to time passed in substitution therefore or in relation to like matters.

2.9 To the extent that any provision of this Agreement is inconsistent with the provisions of any provincial operating permit issued to the Lessee in connection with the (name of project), the provisions of such operating permit(s) shall prevail. Generic Uranium Surface Lease Agreement Version Jan 2014 5

## **PART II**

### **LAND TENURE**

#### **Article 3.0 LEASE OF LAND**

3.1 The Minister hereby leases to the Lessee the Lease Lands, located in the Province of Saskatchewan at approximate UTM Grid Zone \_\_\_\_\_, constituting the surface area, described on (the map titled name of project operator, name of project Surface Lease Map) (or optional wording: the survey titled \_\_\_\_\_, dated \_\_\_\_\_, attached hereto as Appendix "A" and containing \_\_\_\_\_ hectares more or less (hereinafter referred to as the "Lease Lands").

**Note: In the event a survey is not available at the time the draft lease is submitted for approval a fairly accurate provisional map may be used to define the area. If this is the case a new article will be inserted here (3.2, below) reflecting that the provisional map will be replaced with the survey within one year from the effective date of the agreement.**

3.2 To more precisely define the Lease Lands which are the subject of this Agreement, the Lessee shall, within one year following the effective date of this Agreement, prepare and deliver to the Minister a plan of survey, prepared in accordance with the accepted standards for such plans. The form and content of the plan of survey is subject to the Minister's approval. Such plan of survey shall become Appendix "A" in the place and stead of the current Appendix "A."

3.3 The Lessee shall provide to the Minister of Environment on the first day of April each year, information as to the portion of the Lease Lands that has been developed, in such detail as is necessary to calculate rent or other charges (see Appendix "D").

3.4 If the Lessee fails to comply with the requirements set out in Article 3.3, the Minister of Environment may determine the portion of the Lease Lands, which has been developed, for purposes of calculating rent or other charges in accordance with The Crown Resource Land Regulations.

#### **Article 4.0 RENTAL CHARGES**

4.1 The Lessee shall pay to the Minister of Finance c/o the Minister of Environment in Prince Albert, Saskatchewan, the rent and any additional charges, as are prescribed for Provincial Lands by The Crown Resource Lands Regulations under The Provincial Lands Act.

4.2 Payments required by Article 4.1 are due yearly in advance of the first day of June. Generic Uranium Surface Lease Agreement Version Jan 2014 6

#### **Article 5.0 TERM OF AGREEMENT**

5.1 Subject to the other provisions in this Agreement, the term of this Agreement shall commence on the effective date and expire on the 31st day of May, (insert year, up to 33 years hence).

5.2 Any time during the term of this Agreement, the Lessee shall be entitled on twelve (12) months written notice to apply to the Minister to terminate this Agreement or to surrender any portion of the Lease Lands, which application shall be granted subject to terms and conditions established by the Minister.

5.3 The Lessee may apply to the Minister to terminate the Agreement when the Ministry of Environment declares successful completion of decommissioning and reclamation, and the Canadian Nuclear Safety Commission declares exemption from licensing, and the Ministry of the Economy, Minerals, Lands and Resource Policy Division, declares it will accept the Lease Lands into the Institutional Control Program in accordance with and as defined in The Reclaimed Industrial Sites Act.

5.4 The Lessee may apply to the Minister for approval, which shall not be unreasonably withheld, for an extension to the term of this Agreement. Such application shall be made in

writing not less than twelve (12) months prior to the expiration of the term. All of the conditions, covenants and provisions of this Agreement shall continue in force in any approved extension. In no case shall the full term of this Agreement, including the extension, exceed thirty-three (33) years.

5.5 The Lessee shall on the termination of the Agreement for whatever cause (including expiration of the term) or within twelve (12) months, if all claims for rent and charges, if any, have been duly satisfied, remove from the Lease Lands all of its property provided, however, that if:

(a) the Lessee does not conform to the provisions regarding decommissioning in Article 10.0 of this Agreement; or

(b) the Lessee has not removed the property within twelve (12) months of the termination of this Agreement;

the property remaining on Lease Lands shall be forfeited to the Government of Saskatchewan and shall become and be the property of the Government of Saskatchewan. The Minister may recover from the Lessee any reasonable costs incurred for the cleanup or removal of property. The Minister may grant an extension to allow the Lessee sufficient time to remove its property, subject to the Lessee showing due cause, and subject to the limitations set out in Article 5.3. Generic Uranium Surface Lease Agreement Version Jan 2014 7

## **Article 6.0 USE OF LANDS**

6.1 Subject to the terms of this Agreement, the Lessee shall be entitled to the use, occupation and, insofar as the Minister is legally able to convey, quiet possession of the Lease Lands for the term of this Agreement.

The Lessee shall:

(a) obtain and comply with the terms of any permit, licence, approval, permission or consent required by and issued pursuant to any and all laws in force in the Province of Saskatchewan; and

(b) comply with the terms of and maintain in good standing for the duration of this Agreement the mineral dispositions underlying the Lease Lands and registered to the Lessee pursuant to The Mineral Disposition Regulations, 1986, or The Crown Minerals Act subject to the Lessee's right to divide, transfer or release to the Crown any such mineral disposition as permitted by all laws in force in the Province of Saskatchewan.

6.2 The Lessee shall not use the Lease Lands for any purpose other than those necessary for:

(a) the exploration for, and the mining, milling and transporting on the Lease Lands of uranium-bearing ore or other mineral-bearing material including dewatering activities related thereto;

(b) the construction and use of waste management facilities;

(c) the construction and use of camp facilities and ancillary facilities for employee accommodation and recreation;

(d) the construction and use of all buildings, structures, facilities, machinery, equipment, supplies, air strips, power, fuel and water supplies, roads and all other support and service facilities relating to the construction and operation of the mine and mill or other permitted site activities;

(e) the reclamation, decommissioning and post-decommissioning monitoring of the Lease Lands and the buildings, structures and facilities located thereon; and

(f) such other purposes relating to uranium and other mineral mining, processing and transportation, including the construction and use of facilities related thereto, as may be approved by the Minister of Environment.

6.3 The Lessee may construct buildings or structures not authorized under Article 6.2 only with the prior written consent of the Minister of Environment. Generic Uranium Surface Lease Agreement Version Jan 2014 8

6.4 The Lessee shall have the right to remove timber from the Lease Lands where such removal is necessary for the (name of project) subject to first obtaining and complying with any necessary permits.

6.5 The Lessee shall have the right to remove and/or use sand and gravel from the Lease Lands where such removal and/or use is necessary for the (name of project), subject to completing and submitting Sand and Gravel Royalty Return Reports (see Appendix "D") and payment of applicable royalties to the Ministry of Environment in Prince Albert on an annual basis, with



such reports and payments being due within thirty (30) days after March 31, unless otherwise specified in The Crown Resource Land Regulations. However, the Lessee shall not be required to submit a Sand and Gravel Royalty Return Report or pay any royalties in respect to any sand or gravel derived from mine rock, mine waste or other by-products of the (name of project).

6.6 The Lessee shall obtain written approvals from the Water Security Agency for the right to use or divert surface or ground water from any water body or aquifer located in whole or in part on the Lease Lands, and for the construction and operation of waterworks for that purpose, as required under the provisions of The Saskatchewan Watershed Authority Act 2005, The Environmental Management and Protection Act, 2010 and any other Applicable Laws. The Lessee shall report the amount of water diverted and the amount of water used for industrial purposes subject to completing and submitting Industrial Water Use Reports (see Appendix "D") and payment of applicable royalties to the Water Security Agency in Moose Jaw on an annual basis, with such reports and payments being due within thirty (30) days after January 01, unless otherwise specified in The Saskatchewan Watershed Authority Regulations, as amended from time to time.

#### **Article 7.0 PAYMENT OF TAXES**

7.1 The Lessee shall pay all royalties, charges, taxes, rates and assessments, whatsoever, whether municipal, provincial or otherwise, charged by or payable pursuant to provincial or federal legislation, which may at any time during the term of this Agreement be charged upon or become payable in respect of the occupation of the Lease Lands, or of any business or operations conducted by the Lessee on the Lease Lands.

#### **Article 8.0 IMPROVEMENTS AND ROADWAYS**

8.1 The Lessee shall comply with the terms, conditions and requirements as set out by the Ministry of Environment for the construction of roads and sand and gravel pits. The Lessee shall avoid unnecessary road construction. Generic Uranium Surface Lease Agreement Version Jan 2014 9

#### **Article 9.0 ACCESS TO LEASE LANDS**

9.1 In this Article "authorized employees" means:

(a) employees of the Ministry of Environment who are authorized by the Minister of Environment;

(b) employees of the Ministry of the Economy, Minerals, Lands and Resource Policy Division, who are authorized by the Minister of the Economy;

(c) employees of the Ministry of Labour Relations and Workplace Safety who are authorized by the Minister of Labour Relations and Workplace Safety;

(d) employees of the Water Security Agency who are authorized by the President of the Water Security Agency;

(e) employees of the Mamawetan Churchill River Health Region who are authorized by the Minister of Health;

(f) employees of the Ministry of Government Relations, Municipal Relations and Northern Engagement Division, who are authorized by the Minister of Government Relations;

(g) employees of the Ministry of the Economy, Labour Market Service, who are authorized by the Minister of the Economy; and

(h) any other person authorized by the applicable Minister to monitor compliance by the Lessee with the provisions of this Agreement.

9.2 The Lessee shall provide the Minister or the employees specified in Articles 9.1(a), (b), (c), (d), (e) and (h) with access to the Lease Lands, with or without prior notice to the Lessee, together with the right to take necessary equipment onto the Lease Lands for the purpose of monitoring compliance by the Lessee with the provisions of Parts II, III, IV, and VI of this Agreement. Upon request, the Lessee shall furnish the applicable Minister or such employees with such information as may be required in order to monitor compliance by the Lessee with the provisions of this Agreement.

9.3 The authorized employees specified in Articles 9.1(f) and (g) shall, upon reasonable prior notice to the Lessee, have access to the Lease Lands at any reasonable time for monitoring the Lessee's compliance with the provisions of Part V of this Agreement. Upon request, the Lessee shall furnish the applicable Minister and such authorized employees with such information as may be required in order to monitor compliance by the Lessee with the provisions of Part V of this Agreement.

9.4 Authorized employees of the Ministry of Environment shall have access to the Lease Lands at any reasonable time for resource management purposes. Generic Uranium Surface Lease Agreement Version Jan 2014 10

9.5 In furtherance of the obligations of the Lessee contained in Articles 9.2 and 9.3, the Lessee agrees, on reasonable notice, to provide the applicable Minister and a reasonable number of authorized employees utilization of the landing strip owned and operated by the Lessee at the mine site, site transportation, meals and accommodation as is necessary and available. The Lessee shall be entitled to charge for such transportation, meals, and accommodation at rates established by the Lessee each year.

9.6 In the event the Lessee exercises a right indicated in Article 6.1(b), and subject to the requirements of the Nuclear Safety and Control Act, 1997, c.9, the Lessee shall:

(a) provide reasonable public access to the Lease Lands required for the purpose of acquiring available underlying mineral rights; and

(b) provide reasonable access, when the Minister of Environment so authorizes, to valid mineral disposition holders for the purpose of exploring and commercially developing their dispositions underlying the Lease Lands

provided however that the Lessee shall not be responsible or liable for the acts or omissions of such person, or their employees, agents or contractors while on the Lease Lands pursuant to such authorization of the Minister of Environment. Generic Uranium Surface Lease Agreement Version Jan 2014 11

### **PART III**

#### **ENVIRONMENTAL PROTECTION**

##### **Article 10.0 ENVIRONMENTAL PROTECTION**

10.1 The Lessee shall comply with the terms and conditions of any Ministerial Approval obtained from the Minister of Environment under The Environmental Assessment Act, The Environmental Management and Protection Act, 2010 and associated Regulations thereunder.

10.2 Subject to Article 10.3, the Lessee shall, in the design, construction, operation and decommissioning of its facilities located on the Lease Lands, meet the procedures and standards which it undertook to meet in any report, including amendments and additions made thereto, approved by the Ministry of Environment.

10.3 The Lessee may use new or different standards, procedures, or designs other than those referred to in Article 10.2, if the prior written approval of the Ministry is first obtained, which approval shall not be unreasonably withheld.

10.4 As may be required under any permit, license, approval, permission or consent required by and issued pursuant to any and all laws in force in the Province of Saskatchewan, the Lessee shall submit for the approval of the Ministry, prior to their implementation, all design plans for the management of mine rock and any other solid or liquid effluent or air emission, including those for dewatering processes, wastewater handling and treatment, air pollution abatement or other operations with potential environmental impacts. The design plans for the management of domestic wastewater treatment must be submitted to the Water Security Agency for approval unless they are regulated by the Ministry of Health, in which case the information must be submitted to the applicable health region for their approval.

10.5 The Lessee shall ensure that in all its activities the quantities and concentrations of contaminants released into receiving waters, lands and the atmosphere are as low as is reasonably achievable, taking into account social and economic factors, and that, in any case, they shall not exceed the discharge limits established in legislation and/or Regulations for which the Ministry is responsible.

10.6 The Lessee shall prepare, in consultation with the Ministry, a program to monitor discharges and to measure the environmental effects of the (name of project), and shall implement the program as approved by the Ministry. The Lessee shall implement any changes to the monitoring program as may from time to time be reasonably required by the Ministry and shall take any mitigative or remedial measures as may be required by the Ministry following review of the program data. Generic Uranium Surface Lease Agreement Version Jan 2014 12

10.7 Prior to the storage upon the Lease Lands or transit to or from the Lease Lands of any hazardous substances or waste dangerous goods, the Lessee shall prepare and adhere to an Emergency Response Contingency Plan that complies with The Hazardous Substances and Waste Dangerous Goods Regulations, as further specified in Appendix "D". Thereafter, the Lessee shall modify the Emergency Response Contingency Plan periodically as may be required by the Ministry based on inspections.

10.8 As required under Regulations for which the Ministry is responsible, as referenced in Article 10.1 hereof and exemplified in Articles 10.9 to 10.11 below, the Lessee shall develop and submit all Decommissioning and Reclamation Plans, including specific plans for post-decommissioning monitoring, for approval by the Ministry.

10.9 Without limiting the generality of the foregoing, the Parties agree that:

(a) the Lessee shall obtain any approvals and establish any assurance funds required by The Mineral Industry Environmental Protection Regulations, 1996, hereinafter referred to as the "MIEP Regulations";

(b) where a default as described in section 19.1 of the MIEP Regulations occurs, the Minister, where he considers it necessary, may:

(i) enforce any security, call in, cash or redeem any security or other instrument, or take any other action that the Minister considers necessary to realize on the assurance fund; or

(ii) require that all or part of the assurance fund be used to decommission and reclaim all or part of the mining site as defined in the MIEP Regulations, for which the assurance fund was approved in accordance with the decommissioning and reclamation plan approved for that mining site or in any other manner the Minister considers appropriate.

10.10 The Lessee shall prepare Decommissioning and Reclamation Plans, as required by the Ministry and shall decommission and reclaim the Lease Lands on an ongoing basis throughout the term of this Agreement including, once they are no longer needed and without limitation, the mining site and individual pollutant control facilities as defined in the MIEP Regulations.

10.11 The Lessee shall implement final Decommissioning and Reclamation plans, as approved by the Ministry for the entire mining site, according to the time frame set out in the Decommissioning and Reclamation plans, upon:

(a) a decision by the Lessee to permanently cease operations at the (name of project)Generic Uranium Surface Lease Agreement Version Jan 2014 13

(b) the inability of the Lessee to obtain necessary regulatory approvals to introduce or to continue with the mining, milling or transporting of uranium-ore or other mineral-bearing material; or

(c) the reasonable direction of the Ministry.

10.12 In the event the Lessee permanently ceases operations or this Agreement is terminated without a replacement agreement being entered into, and no final Decommissioning and Reclamation Plans for the entire mining site have been approved by the Ministry, the Lessee shall carry out any decommissioning and reclamation procedures as may be required by the Ministry.

10.13 For the purposes of Articles 10.8 to 10.10 inclusive, the Lessee shall, if required by the Ministry, enter into a new Surface Lease Agreement for such length of time as may be necessary to complete decommissioning and reclamation of the Lease Lands and facilities located thereon to the satisfaction of the Ministry.

10.14 The Lessee shall prepare and submit a State of the Environment Report (see Appendix "D") to the Ministry every five years or as the Ministry may otherwise reasonably require.

10.15 **Note:** Outstanding liabilities on the lease lands on the effective date of this agreement will be noted here as will the Lessee agreement to accept full responsibility for these liabilities whether or not they accrued before or after the effective date. Wording will be place in this clause to indicate that an Appendix to this agreement will detail the outstanding liabilities, work required to mitigate the liability to the satisfaction of the Ministry and cost estimates of the required work, etc. Generic Uranium Surface Lease Agreement Version Jan 2014 14

## **PART IV**

### **OCCUPATIONAL HEALTH AND SAFETY OF WORKERS**

#### **Article 11.0 OCCUPATIONAL HEALTH AND SAFETY OF WORKERS**

11.1 The Lessee agrees to cooperate with the Ministry of Labour Relations and Workplace Safety in order for the Ministry to be satisfied that the operations of the Lessee on and in respect of the Lease Lands are in accordance with all laws and regulations. Without restricting the generality of Article 19.0, the Lessee shall comply with:

- (a) The Occupational Health and Safety Act, 1993 and the Regulations and codes of practice made pursuant to that Act;
- (b) The Radiation Health and Safety Act, 1985 and the Regulations made pursuant to that Act;
- (c) The Mines Regulations, 2003; and
- (d) The requirements of Appendix "B" titled "Occupational Health and Safety of Workers".

11.2 Subject always to the provisions of Article 11.1, the Lessee shall, in the design, construction, operation and decommissioning of the mine, mill and associated facilities located on the Lease Lands, meet the procedures and standards regarding the health and safety of workers which it undertook to meet in any report, including amendments and additions thereto, which the Lessee submitted to the Joint Federal- Provincial Panel on Uranium Mining Developments in Northern Saskatchewan; provided that the Lessee may, subject to approval from the Ministry of Labour Relations and Workplace Safety, meet procedures and standards other than those referred to above.

11.3 The Lessee and the Minister, after consultation with the Lessee's Occupational Health Committee, may make changes to Appendix "B" consistent with the health and safety of the workers.

11.4 (a) Where, in the opinion of an authorized employee of the Ministry of Labour Relations and Workplace Safety, the Lessee is contravening or has contravened any provision of this

Article 11.0, Appendix "B", The Occupational Health and Safety Act, 1993 and associated Regulations or The Radiation Health and Safety Act, 1985 and associated Regulations or The Mines Regulations, 2003 in circumstances which make it likely that the contravention will continue or will be repeated, such authorized employee may serve on the Lessee a notice of contravention stating the provision Generic Uranium Surface Lease Agreement Version Jan 2014 15

which is being or has been contravened and the reasons which make the authorized employee of the above opinion, and requiring the Lessee to remedy the contravention within the period specified in the notice.

(b) The appeal provisions of The Occupational Health and Safety Act, 1993 (currently found in Part VIII of such Act) apply to any notice of contravention served under Article 11.4(a).

11.5 For greater clarity, but without restricting the generality of the foregoing, the Lessee shall establish an Occupational Health Committee with such structure, powers, duties and responsibilities accorded to Occupational Health Committees under Part III of The Occupational Health and Safety Act, 1993 and Part IV of The Occupational Health and Safety Regulations for all occupational health and safety matters relating to the requirements of this Agreement, including Appendix "B". Generic Uranium Surface Lease Agreement Version Jan 2014 16

## **PART V**

### **DIRECT EMPLOYMENT AND ECONOMIC BENEFITS**

#### **FOR RESIDENTS OF SASKATCHEWAN'S NORTH**

##### **Article 12.0 INTENT**

12.1 The Parties recognize that the operations of the Lessee on and in respect of the Lease Lands represent a major development with the potential to provide significant employment and business benefits to Residents of Saskatchewan's North.

12.2 It is the intent of the Parties to provide a cooperative atmosphere for the Lessee to maximize project-related employment and economic opportunities for Residents of Saskatchewan's North as defined in the (name of project) Human Resource Development Agreement, that will be negotiated.

12.3 The Parties agree that the provisions of this Part of the agreement establish a mutually agreed upon framework of reasonable expectations and measurable objectives in sufficient detail to facilitate the Parties' attainment of these objectives and to allow effective monitoring and evaluation of the Parties' performance. The Parties further agree that the commitments contained in this Part V are subject to social and economic factors, and good Canadian mining practice.

12.4 The Lessee shall use its best efforts to establish employment, contracting and local purchasing policies and practices, and development programs consistent with the intent of this Article.

12.5 The Parties expressly acknowledge and agree that nothing in this Part V is intended to or does require the Parties to undertake any practice or policy which contravenes any provision of the Canadian Human Rights Act or The Saskatchewan Human Rights Code, any Regulations enacted pursuant thereto or any policy or guideline of the Canadian Human Rights Commission or the Saskatchewan Human Rights Commission.

### **Article 13.0 EMPLOYMENT POLICIES AND PRACTICES**

13.1 The Lessee shall, in consultation with the Ministries of the Economy, Labour Market Service, and Government Relations, use its best efforts to establish and implement northern employment policies and practices affording preferential consideration to Residents of Saskatchewan's North, as exemplified below: Generic Uranium Surface Lease Agreement  
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(a) the Lessee and the Ministry of the Economy, Labour Market Service, agree to negotiate a Human Resource Development Agreement for the (name of project), to be completed no later than three (3) months following the signing of this Agreement;

(b) the Lessee shall prepare and submit a Human Resource Development Plan (see Appendix "D") each year to the Ministry of the Economy, Labour Market Service, in accordance with the Human Resource Development Agreement referred to in Article 13.1(a); and

(c) special recruiting efforts in northern communities undertaken in cooperation with local governments, First Nations, Métis and federal and provincial agencies.

13.2 The Lessee shall, where practicable, use its best efforts to cause all contractors working on site to adopt similar policies of employment, recruitment and reporting that will contribute to the achievement of the intent stated in Article 12.0.

### **Article 14.0 TRAINING AND DEVELOPMENT PROGRAM**

14.1 Both Parties agree that the Lessee has the ultimate responsibility for the establishment of internal training programs necessary to meet its needs on the Lease Lands.

14.2 The Lessee shall, to the extent practicable, upgrade and train its employees in relation to the Lessee's needs and obligations and ensure a positive work environment which is conducive to



employees, in particular Residents of Saskatchewan's North, achieving increased knowledge and accepting greater responsibility in their employment opportunities with the Lessee.

14.3 The Parties agree that ongoing and progressive on-the-job training is an effective approach to meeting the intent of this Part V and that such training will be offered to the Lessee's employees, in particular Residents of Saskatchewan's North, to the extent practicable. The Lessee further agrees that to the extent practicable, it will use its best efforts to ensure its contractors' employees are provided the same on-the-job training by the contractors.

14.4 The Government of Saskatchewan shall use its best efforts to provide basic education and literacy training which will make the transfer of skills on-the-job more effective, and the Lessee will cooperate with the Government of Saskatchewan in this regard, where practicable. It is agreed that provision of opportunities for professional and technical education in the Northern Saskatchewan Administration District would assist Residents of Saskatchewan's North to compete for a wider range of jobs associated with the (name of project). Generic Uranium Surface Lease Agreement Version Jan 2014 18

14.5 With the support and cooperation of Saskatchewan training institutions and such other accreditation-granting bodies as may be involved from time to time, the Lessee shall use its best efforts to organize and implement its training programs so that employees, in particular Residents of Saskatchewan's North, completing the training will be able to use the skills acquired and time spent as credit towards certification or status recognized in Saskatchewan.

14.6 Where it is mutually advantageous and agreeable to the Lessee and an employee, the Lessee will take the steps necessary to record the details of employment with the Saskatchewan Apprenticeship and Trade Certification Commission, according to The Apprenticeship and Trade Certification Act.

## **Article 15.0 COMMERCIAL OPPORTUNITIES**

15.1 The Lessee shall encourage businesses located in the Northern Saskatchewan Administration District to supply goods and services to the (name of project) through:

(a) adoption of the following practices:

(i) annually preparing and submitting a five-year rolling Business Opportunities Forecast (see Appendix "D"), the first two (2) years of which shall be complete with such information, benchmarks and processes as will enable performance monitoring for the (name of project) and the last three years of which shall contain general business trend information. The initial Business Opportunities Forecast shall be completed and submitted to the Ministry of Government Relations, Northern Engagement Branch, within three (3) months following the decision to begin commercial production. Thereafter, an updated Business Opportunities Forecast will be prepared and submitted annually on or before November 1;

(ii) maintenance of ongoing contact and liaison with the business community in northern Saskatchewan and the Ministry of Government Relations, Northern Engagement Branch; and

(iii) provision of public tender documents at one or more locations in northern Saskatchewan when contracts for work at the (name of project) are to be awarded by public tender.

(b) adherence to the following practices, where consistent with the economics of the (name of project) and good Canadian mining practice:

(i) fragmentation of contracts, requests for proposals or invitations to quote on the supply of goods and services; and Generic Uranium Surface Lease Agreement Version Jan 2014 19

(ii) the establishment of bids or quotes on invitational bases.

15.2 The Lessee agrees it is desirable and that it will, where practicable, use its best efforts to require all contractors working on site to procure goods and services from Northern Businesses.

#### **Article 16.0 MONITORING**

16.1 The Parties agree that the Government of Saskatchewan has primary responsibility for monitoring the success of activities undertaken to address the objectives of this Part V and that in conducting this monitoring the Government of Saskatchewan shall consult with the appropriate Environmental Quality Committee, or such other replacement body(ies) as may be designated from time to time by the Minister of Government Relations to discuss such matters.

16.2 Pursuant to Article 16.1, and in a spirit of cooperation, the Parties agree:

(a) to establish and maintain an open dialogue and certain formal reporting mechanisms for the timely exchange of relevant information, as set forth in Appendix "D"; and

(b) that, to the extent possible without breaching confidentiality and/or proprietary interests, such information will be shared in public forums.

16.3 The Lessee shall prepare and file with the Ministry of the Economy, Labour Market Service, Employment Status Reports (see Appendix "D"), for the (name of project) and on behalf of its on-site contractors, which reflect the degree of achievement of the objectives of this Part V.

These statistics shall be prepared and submitted in accordance with the terms of the Human Resource Development Agreement for this project or as otherwise reasonably requested by the Ministry of the Economy, Labour Market Service.

16.4 Prior to March 31 each year, the Lessee shall prepare and submit a Northern Business Participation Report (see Appendix "D") to the Ministry of Government Relations, Northern Engagement Branch, in a form acceptable to the Branch, detailing:

(a) the nature (character), by suitable categories, and value of goods and services purchased during the year under report, in the construction, operation and reclamation and decommissioning phases of the (name of project);

(b) separate information regarding the nature (character) and value of goods and services purchased during the year under report, in the phases referred to in (a) above, from Northern Businesses; and

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(c) the activities undertaken by the operator of the (name of project) and its on-site contractors to achieve the intent of this Part V of the Agreement and any objectives as may have been set forth in the Business Opportunities Forecast for the year under report.

#### **Article 17.0 COMPENSATION FOR LOSS OF INCOME**

17.1 The Lessee shall satisfy the Northern Engagement Branch, Ministry of Government Relations, that any individuals who, immediately prior to the disposition provided for in this Agreement, used or occupied the Lease Lands to generate commercial income by way of a lease, license or permit granted by the Government of Saskatchewan, or such individuals' family heirs, shall be compensated for their actual monetary losses of commercial income arising out of this Agreement, provided that such individuals or such individuals' family heirs continue the original commercial activity for which monetary losses were first compensated. The Lessee shall disclose to such Minister the names of such individuals or such individuals' family heirs.

17.2 Prior to March 31st each year, the Lessee shall prepare and submit a Compensation for Loss of Income Report to the Northern Engagement Branch, Ministry of Government Relations, in a format prescribed by the Branch, detailing any compensation paid for loss of commercial income during the course of the year under report to such individuals or such individuals' family heirs disclosed to the Minister in Article 17.1. Notwithstanding the foregoing, the Lessee's obligation to submit a Compensation for Loss of Income Report is conditional upon the Lessee receiving, and the Lessee shall request, the consent of affected individuals or family heirs to the release of the information contained in the Compensation for Loss of Income Report to the Northern Engagement Branch. The absence of any one individual's or a family heir's consent shall not prevent the preparation and submission of this Report with respect to other affected, consenting individuals or family heirs.

#### **Article 18.0 OTHER COMMITMENTS**

18.1 The Government of Saskatchewan shall use its best efforts to consult and cooperate with the Lessee to coordinate and consolidate reporting requests by the Government to the Lessee to avoid, as much as practicable, duplication in reporting requests by the Government and reporting by the Lessee in response to such requests under this Agreement.

18.2 The Lessee shall use its best efforts to comply with the Social and Economic Benefits Commitments made to Residents of Saskatchewan's North, and shall report on its progress in complying with these commitments in the manner contemplated in Appendices "C" and "D". Generic Uranium Surface Lease Agreement Version Jan 2014 21

18.3 The Lessee shall prepare and submit Public Involvement Program Reports (see Appendix "D") to the Ministry of Government Relations, Northern Engagement Branch.

18.4 The Lessee shall, upon the written request made by the Minister from time to time, but not more often than annually, issue public reports on its record of achievements against the Social and Economic Benefits Commitments and hold subsequent public meetings with impact communities to discuss the reports.

18.5 The Lessee shall use its best efforts to discuss on a regular basis with the Northern Saskatchewan Environmental Quality Committee, or such other replacement body as may be designated from time to time by the Minister of Government Relations, the development and operations of its programs to monitor and measure environmental effects, including any decommissioning and reclamation plans as required by the Ministry of Environment. Generic Uranium Surface Lease Agreement Version Jan 2014 22

## **PART VI**

### **GENERAL PROVISIONS**

#### **Article 19.0 COMPLIANCE WITH RELEVANT STATUTES**

19.1 The Lessee shall perform, observe and comply with all laws in force from time to time in the Province of Saskatchewan including, without limiting the generality of the foregoing, provisions of the following Saskatchewan statutes: The Provincial Lands Act, The Forest Resources Management Act, The Wildlife Act, 1998, The Occupational Health and Safety Act, 1993, The Mineral Resources Act, 1985, The Government Organization Act, The Environmental Assessment Act, The Boiler and Pressure Vessel Act, 1999, The Electrical Inspection Act, 1993, The Fire Prevention Act, 1992, The Gas Inspection Act, 1993, The Passenger and Freight Elevator Act, The Radiation Health and Safety Act, 1985, The Public Health Act, 1994, The Environmental Management and Protection Act, 2010, The Dangerous Goods Transportation Act, The Pest Control Products (Saskatchewan) Act, The Saskatchewan Watershed Authority Act, 2005 and The Crown Minerals Act.

#### **Article 20.0 TERMINATION OF AGREEMENT**

20.1 In the event the Lessee fails to pay the rent or taxes as required under Article 4.0 or any part thereof when due, whether formally demanded or not, or fails to observe or perform the other covenants, conditions, provisos and stipulations herein agreed to be observed and performed in Articles 4.0, 6.0, 7.0, 9.0, 10.0, 11.0, 19.0, 22.0, 23.0 and 26.0, the Minister may give written notice (the "Default Notice") to the Lessee specifying the failure. The Lessee shall thereupon:

(a) remedy such failure within thirty (30) days after receiving the Default Notice; or

(b) if the failure is such that it cannot be remedied within the thirty (30) day period, promptly and in any event within the thirty (30) day period, commence and diligently continue thereafter to remedy such failure and take any steps required to reasonably ensure that the failure will not occur again.

20.2 If a Default Notice is given and if the Lessee does not proceed in one of the manners contemplated in Articles 20.1 or 20.3, the Minister may terminate this Agreement by giving written notice to the Lessee that this Agreement is terminated on such date as may be specified in the written notice and, thereupon, this Agreement shall be terminated.

20.3 The Lessee may, prior to the expiration of the thirty (30) days referred to in Article 20.1, apply to the Minister for relief from the breach of the requirements which have given rise to the failures set out in a Default Notice. The Minister may grant relief Generic Uranium Surface Lease Agreement Version Jan 2014 23

from any of the said requirements and in granting such relief the Minister may establish alternative procedures and requirements that the Lessee shall fulfill. If the Lessee fails to comply with the decision of the Minister within a further thirty (30) days the Minister may, by notice to the Lessee, terminate this Agreement.

20.4 The Minister shall be entitled to waive all rights of termination arising under this Agreement by reason of any default and thereupon this Agreement and the Lessee's rights hereunder shall be construed to continue as though no such default had occurred. All such waivers must be in writing and signed by the Minister and shall not prejudice any right of the Minister in the case of any other default.

20.5 This Agreement does not restrict the Lessee from commencing legal action in a court of law should the Minister terminate this Agreement.

## **Article 21.0 ARBITRATION**

21.1 (a) Subject to Article 21.1(b), disputes arising out of the interpretation, performance or breach of any of the Articles of this Agreement, other than the Articles set out in Parts III and IV and Article 5.1, may be submitted by either Party to arbitration. This provision shall not limit the requirements, provisions or powers conferred on any minister or official as contained in any statute of the Province of Saskatchewan or Regulations thereunder.

(b) The Lessee may submit a decision of an adjudicator, made pursuant to the appeal provisions referred to in Article 11.4(b), to arbitration, provided however that:

(i) such reference may only be made if the decision of the adjudicator is relied upon such that it results in a written notice (a "Termination Notice") being given by the Minister to the Lessee that this Agreement is being terminated, as provided for in Articles 20.2 and 20.3, and

(ii) such reference is to be filed within thirty (30) days of the Lessee

receiving a Termination Notice.

The submission of the dispute to arbitration does not stay the operation of the adjudicator's decision.

21.2 The Arbitration Act, 1992 shall apply to any arbitration hereunder.

21.3 The Parties shall agree on the arbitrator. If the arbitrator is not selected within ten (10) days after notice of arbitration is given, a three-person arbitration board shall conduct the arbitration. Each Party shall, within seven (7) days from the expiration of the ten (10) day period, appoint one person to the arbitration board and thereafter immediately inform the other Party of the name of its nominee. The two nominees Generic Uranium Surface Lease Agreement Version Jan 2014  
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shall, within seven (7) days, agree on a third arbitrator who shall be the chairperson of the arbitration board. In the event either Party fails within the time specified to select its nominee or the nominees of the two Parties fail to agree upon a third arbitrator, then the third arbitrator or the arbitrator to represent the Party which has not appointed its nominee, as the case may be, shall be appointed by the Chief Justice of the Court of Queen's Bench for the Province of Saskatchewan. Each arbitrator shall be a person who, by education and experience, is qualified to adjudicate the matter.

21.4 The arbitration shall be conducted in La Ronge, Saskatchewan, or such other place as the Parties may agree or the arbitrator or chairperson of the arbitration board, as the case may be, may determine, and the arbitrator or arbitration board shall hear and dispose of the dispute, difference or question submitted in such manner as he in his discretion shall determine, but in doing so he shall be required to receive the submissions of the Parties in respect of the said question, dispute or difference. The arbitrator or arbitration board in the conduct of the proceedings shall not be bound by the Rules of Court of the Province of Saskatchewan or by the traditional rules of evidence.

21.5 The decision of the single arbitrator or a simple majority of the arbitration board shall be binding upon the Parties. In the event the arbitration board is unable to arrive at a simple majority decision, the decision of the chairperson shall be binding.

21.6 The arbitrator or the arbitration board shall have the authority to include in an award any of the following:

- (a) a finding that there has been a breach of the Agreement;
- (b) a finding that there has been no breach of the Agreement;
- (c) a finding that although there has been a breach of the Agreement, the breach should be excused;
  
- (d) an order of specific performance as could be awarded by a Judge of the Court of Queen's Bench;
- (e) an order to pay a penalty for a breach of the Agreement;
- (f) an order to pay a fixed sum daily by way of penalty until the Party to pay discontinues or remedies the breach of this Agreement;
- (g) a direction to pay damages;
- (h) an order overturning or confirming a decision to terminate this Agreement; and/or Generic Uranium Surface Lease Agreement Version Jan 2014 25
- (i) such other direction or order as is deemed necessary and equitable to ensure compliance with the spirit, intent and provisions of this Agreement.

21.7 Where a dispute has been submitted to arbitration, in addition to all of the powers contained in Article 21.6, the arbitrator or arbitration board may make such interim orders as it considers appropriate pending resolution of the dispute.

21.8 The decision of the arbitrator or the arbitration board may be appealed by either Party to the Court of Queen's Bench. The Notice of Appeal shall be served on the respondent by the applicant within fifteen (15) days of receipt of the decision of the arbitrator or the arbitration board.

21.9 Where any matter is referred to an arbitrator or arbitration board, the provisions of this Agreement shall continue in full force until a final determination has been made by the arbitrator or arbitration board and the period for commencing an appeal under Article 21.8 has expired, or if an appeal is made, until a final court decision is issued.

21.10 Where the Lessee fails to comply with an order of an arbitrator or arbitration board or, where an appeal is taken and the Lessee fails to comply with the final decision of a court, this Agreement shall terminate forthwith and the provisions regarding decommissioning in Part III and the provisions of Articles 23.0 and 5.4 shall apply.

#### **Article 22.0 ASSIGNMENTS**

22.1 The Lessee shall not assign, transfer or sublet this Agreement or any part hereof or any of the rights or privileges contained herein without the written consent of the Minister, which consent shall not be unreasonably withheld, and in the event an assignment is made, the assignee shall become a Party to this Agreement.

#### **Article 23.0 INDEMNITY**

23.1 The Lessee shall indemnify and keep the Province of Saskatchewan harmless from and against all actions, suits, claims and demands arising out of or in connection with the operations carried on by the Lessee, its servants, employees, agents, licensees and contractors, in, under or upon the Lease Lands except for actions, suits, claims and demands against the Minister arising from the negligence or fault of the Minister or the Minister's servants, representatives, employees or agents. If any claim comes to the attention of the Minister which could give rise to a right of indemnity hereunder, the Minister shall promptly give written notice to the Lessee and the Lessee may, at its option, defend such claim, in which event the Minister shall, at the Lessee's expense, cooperate with the Lessee in any reasonable way including providing such information as the Lessee may reasonably request and allowing the Lessee to act for, on behalf and in the name of the Minister for such purposes. In defending such claim, the Lessee shall not make any admission of liability or fault on behalf of the Minister without the written consent of the Minister. If the Minister elects to defend such claim and the Lessee does not exercise its Generic Uranium Surface Lease Agreement Version Jan 2014 26

option to do so on behalf of the Minister, the Lessee shall only be liable in respect of the costs and expenses of such defence for those costs and expenses which, reasonably viewed, would have been incurred in such defence by a lessor other than the Government of Saskatchewan.

#### **Article 24.0 FORCE MAJEURE**

24.1 If either Party is delayed, hindered or prevented from the performance of any of its obligations under this Agreement (hereinafter referred to as the "Delay"), by reason of fire, flood, explosion, acts of God, war, revolution, civil disturbance, embargoes, authorized and lawful acts of the federal government or any board, agency or other instrument of the federal government, strikes or other cause similarly beyond the reasonable control of the Party affected (except by reason of lack of funds or the financial condition of that Party) (collectively an "Event of Force Majeure"), such performance shall be excused for the period of the Delay, and any period within which such performance is to be effected shall be extended by the period of such Delay, subject



to the limitations set out in Article 5.1. No Party shall be entitled to relief under this section unless, within fourteen (14) days after the commencement of the Delay, the Party claiming such relief shall have given notice of the Delay in writing to the other Party.

#### **Article 25.0 NOTICES**

25.1 Any notices or communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered to, or sent by prepaid registered or certified mail, or confirmed facsimile addressed as follows:

(a) in the case of a notice or communication to the Minister:

Landscape Stewardship Branch

Ministry of Environment

Box 3003, 800 Central Avenue

Prince Albert, Saskatchewan, Canada S6V 6G1

Attention: Director

Facsimile: (306) 953-2684

and:

Northern Engagement Branch

Ministry of Government Relations

210-1855 Victoria Avenue

Regina, Saskatchewan, Canada S4P 3T2

Attention: Executive Director

Facsimile: (306) 787-6014

(b) in the case of a notice or communication to the Lessee: Generic Uranium Surface Lease Agreement Version Jan 2014 27

(Names and Addresses of all the Owners)

Attention: (Name of Contact Person or Title of Contact)

Facsimile: (000) 000-000

or to such other address as either Party may notify the other in accordance with this Article, and if so delivered shall be deemed to have been given when delivered, or at the time of confirmation of electronic transmission if sent by facsimile if such day is a business day, otherwise the next business day following, and if so mailed shall be deemed to have been given on the third business day after the date of mailing except in the case of a mail strike or other disruption of postal service in which case it shall be deemed to have been given on the third business day after such strike or disruption ceases.

#### **Article 26.0 PLACE OF BUSINESS**

26.1 The Lessee shall maintain for the duration of this Agreement and any extension or renewal thereof, an office and place of business of the operator of the (name of project) in the Province of Saskatchewan, and at such office shall make available on reasonable notice to the Lessee any and all books and records or copies thereof, which the Government of Saskatchewan or its authorized representatives may require pursuant to the provisions of this Agreement.

#### **Article 27.0 CONFIDENTIALITY**

27.1 All information exchanged between the Parties hereto which either Party declares in writing to be confidential shall be kept confidential, except insofar as may be necessary to enforce the terms of this Agreement or as may be required by law.

#### **Article 28.0 BINDING EFFECT**

28.1 This Agreement and everything herein contained shall enure to the benefit of and be binding upon the respective successors and permitted assignees of the Parties hereto, and the expression "Minister" shall be construed as including the successors in office of the Minister of Environment and the Minister of Government Relations, and shall include such other members of the Executive Council for the Province of Saskatchewan that are designated by the Lieutenant Governor in Council as being the Minister responsible for this Agreement, and includes the successors in office of such other members of the Executive Council.

#### **Article 29.0 OTHER LEASES**

29.1 Without limiting the requirements, provisions and powers conferred on any Minister or official as contained in any statute of the Province of Saskatchewan or Regulations thereunder, the Minister shall not grant or permit other surface leases or Generic Uranium Surface Lease Agreement Version Jan 2014 28

other agreements granting easement, tenement or other rights of whatever nature or kind upon any of the Lease Lands (collectively the "Other Interest") during the term of this Agreement, or any extensions thereof, without:

(a) first consulting with the Lessee; and

(b) if the Other Interest will interfere with the Lessee's operation of the (name of project), first obtaining the consent of the Lessee to the granting or permitting of the Other Interest, which consent will not be unreasonably withheld.

**Article 30.0 SCOPE OF COVENANTS**

30.1 Except as provided in Article 26.0, the covenants of the Lessee in this Agreement have reference only to the operations of the Lessee to be conducted on the Lease Lands and not to any other operation of the Lessee.

**Article 31.0 CONTINUING OBLIGATIONS**

31.1 Notwithstanding that this Agreement has been terminated or has expired, the Lessee shall fulfill requirements for decommissioning and reclamation as are set out in Part III, shall remove its property from the Lease Lands as set out in Article 5.5 and in connection with such operations shall indemnify the Province of Saskatchewan as set out in Article 23.1.

**Article 32.0 ENTIRE AGREEMENT**

32.1 This Agreement together with all documents and agreements incorporated by reference herein constitutes and contains the entire and only Surface Lease Agreement between the Minister and the Lessee concerning the use of the Lease Lands and supersedes and cancels any and all pre-existing Surface Lease Agreements and understandings relevant thereto. Generic Uranium Surface Lease Agreement Version Jan 2014 29

The Parties have executed this (name of project) Surface Lease Agreement (year) on the date set opposite their signature.

**(NAMES of OWNERS)**

Per: Date:

Per: Date:

**MINISTER OF ENVIRONMENT**

Per: Date:

**MINISTER RESPONSIBLE FOR FIRST NATIONS, MÉTIS AND NORTHERN AFFAIRS**

Per: Date: Appendix A 1 Generic Uranium Surface Lease Agreement Version Jan 2014

**APPENDIX "A"**

## **APPENDIX "B"**

### **OCCUPATIONAL HEALTH AND SAFETY OF WORKERS**

#### 1.0 Interpretation

##### 1.1 In this appendix:

- (a) "absorbed dose", with respect to any medium, means the ionizing radiation energy absorbed per unit mass, expressed in grays;
- (b) "committed dose" means the equivalent doses received by any organ or tissue of the body of a person from the intake of any radioactive substance, other than radon or radon progeny, during the period of 50 years immediately following the intake;
- (c) "competent person" means a person qualified by knowledge, training and experience to give advice on monitoring, protective measures and operating procedures to the Lessee which will enable the Lessee to fulfil the requirements of this appendix relating to the protection of workers from exposure to radiation;
- (d) "department" means Ministry of Labour Relations and Workplace Safety;
- (e) "director" means executive director of the Occupational Health and Safety Division of the Ministry of Labour Relations and Workplace Safety;
- (f) "effective dose" means the sum of the products, in sieverts, obtained by multiplying the equivalent dose of radiation received by and committed to each organ or tissue set out in column 1 of Table 4 by the weighting factor set out in column 2 for that item;
- (g) "employer" means a person, firm, association or body that has, in connection with the operation of a place of employment, one or more workers in the service of the person, firm, association or body;
- (h) "equivalent dose" means the product, in sieverts, obtained by multiplying the absorbed dose of radiation and the appropriate radiation weighting factor set out in Table 3;
- (i) "mine" when used as a noun, means an opening or excavation in, or working of, the ground for the purpose of obtaining, proving or opening up a mineral, rock, stone or clay, and includes a quarry, excavation or opening in the ground that is made for the purpose of searching for or removing a mineral, rock, stone or clay, and all workings and plant under or above ground that are used in Appendix B 2 Generic Uranium Surface Lease Agreement Version Jan 2014

connection with crushing, reducing, melting, refining, or treating any mineral, rock, stone or clay;

(j) "National Dose Registry" means the centralized record-keeping system containing the dose information for radiation workers in Canada that is maintained by Health Canada;

(k) "radiation" for the purpose of this appendix means ionizing radiation and includes any atomic or subatomic particle or electromagnetic wave emitted or produced directly or indirectly by a machine or radioactive isotope and having sufficient kinetic or quantum energy to produce ionization;

(l) "nuclear energy worker" means a worker who, by his/her employment at a uranium mine, is likely to be exposed to an effective dose greater than one millisievert in one year;

(m) "worker" means, when used in the context of this appendix, any person employed by the Lessee or by any other employer commissioned by or contracted by or otherwise performing services for, the Lessee;

(n) "radon progeny" means any of the radioactive decay products of radon-222, namely bismuth 214, lead 214, polonium 214 and polonium 218;

(o) "uranium" means the mixture of uranium-234, uranium-235, and uranium-238, as they occur in nature;

(p) "working level" means:

(i) the concentration of radon progeny in one cubic meter (1m<sup>3</sup>) of air that has the potential alpha energy of  $2.08 \times 10^{-5}$  joules;

(q) "working level month" means the exposure that results from the inhalation of air containing one working level for 170 hours and is the amount WLM, calculated in accordance with the following formula:

$$1 \text{ WLM} = 3.54 \text{ mJh/m}^3$$

Where:

mJ is millijoules

h is hours

m is meters;

(r) "one-year dosimetry period" means the period of one calendar year beginning on January 1 or each year;

(s) "five-year dosimetry period" means the period of 5 calendar years beginning on January 1, 2001 and every period of five calendar years after that period; Appendix B 3 Generic Uranium Surface Lease Agreement Version Jan 2014

## 2.0 Duties of Lessee

2.1 The Lessee agrees to require any other employer at the mine to comply with The Occupational Health and Safety Act, 1993, The Occupational Health and Safety Regulations, 1996, The Mines Regulations, 2003 and sections 2.6, 2.7, 2.8, 5.3, and 9.1 of this appendix, with any necessary modification.

2.2 The Lessee agrees to retain a competent person to advise the Lessee on all matters pertaining to this appendix.

2.3 The Lessee agrees to consult with the competent person on all relevant aspects of radiation health and safety.

2.4 The Lessee agrees to provide the competent person with adequate means to carry out his/her duties.

2.5 The Lessee agrees:

(a) in consultation with the occupational health committee, to design and establish an occupational health and safety program that meets the requirements of section 13 of The Occupational Health and Safety Act, 1993, and section 22 of The Occupational Health and Safety Regulations, 1996.

(b) the occupational health and safety program will be in writing and readily available to the occupational health committee; and

(c) to require any other employers at the mine to participate in an occupational health and safety program that meets the requirements of section 13 of The Occupational Health and Safety Act, 1993, and section 22 of The Occupational Health and Safety Regulations, 1996.

2.6 The Lessee agrees to ensure that where an incident reportable to the director under section 3.5 or section 5.1 of this Appendix occurs at the mine site, the employer, in consultation with the occupational health committee, shall investigate the incident as soon as reasonably possible and prepare a written report describing the causes of the incident and any corrective actions taken to prevent a reoccurrence.

2.7 The Lessee agrees to ensure that:

(a) the occupational health committee inspects working areas of the mine every month; and

(b) the occupational health committee keeps written records of the investigations required by section 2.6 and the inspections required by clause (a) and to make such records available to the director or designate on request. Appendix B 4 Generic Uranium Surface Lease Agreement Version Jan 2014

2.8 The Lessee undertakes that the mine will be designed, developed and operated so that the exposure to radiation of any worker in that mine is as low as reasonably achievable, social and economic factors being taken into account.

2.9 In any building or on any equipment not associated directly with the mining, transport, beneficiation or storage of ore, mineral, uranium concentrate or tailings, the Lessee agrees to take all necessary steps to limit any removable surface contamination to levels below 3.7 becquerels per square centimetre averaged over any 0.01 square metre area.

2.10 The Lessee agrees to provide and implement a code of practice, acceptable to the director, which will specify the action to be taken when radiation levels specified in the code of practice occur including,

- (a) the monitoring of radiation levels and workers' radiation exposures;
- (b) the posting of radiation levels;
- (c) the prohibition or restriction of access to places or equipment;
- (d) the control and correction of spills; and
- (e) the procedure to be adopted during equipment failures and unusual operating conditions.

### 3.0 Monitoring

3.1 (a) The Lessee agrees that as soon as possible before the commencement of operations at a mine the Lessee will submit to the director, a program, acceptable to the director, for the monitoring of radiation levels and the determination of the effective dose received by workers.

(b) The Lessee agrees that all workers:

(i) who may receive an external gamma dose greater than one millisieverts in a one-year period wear personal dosimeter to be issued by a dosimetry service provider licensed pursuant to the Regulatory Standard S-106 (Revision 1), Technical and Quality Assurance Requirements for Dosimetry Services, Canadian Nuclear Safety Commission May 2006; and

(ii) who may receive a radon progeny exposure greater than one working level month per year shall be monitored using a personal radon progeny dosimetry system issued by a dosimetry service provider licensed pursuant to the Regulatory Standard S-106 (Revision 1), Technical and Quality Appendix B 5 Generic Uranium Surface Lease Agreement Version Jan 2014

Assurance Requirements for Dosimetry Services, Canadian Nuclear Safety Commission May 2006;

(c) The program may, after consultation with the affected occupational health committee(s), be amended from time to time by agreement between the director and the Lessee.

3.2 The Lessee agrees to ensure that the monitoring of radiation and the determination of effective doses for workers is conducted under the direction of the competent person in accordance with the program mentioned in clause 3.1(a), except that this shall not apply to any part of the determination conducted by an external agency acceptable to the director.

3.3 The Lessee agrees;

(a) to determine the effective doses received by all radiation workers at the mine by a method acceptable to the director; and

(b) to ensure that the effective doses received by all workers, other than nuclear energy workers, engaged in activities directly associated with any radioactive material or anything contaminated by radioactive material are, and are likely to continue to be, less than one millisieverts per year.

3.4 For the purpose of this appendix, any dose pertaining to a worker which is currently entered into the National Dose Registry shall be deemed to be that worker's true dose unless the Lessee can provide to the director evidence to the contrary.

3.5 (a) The Lessee agrees to inform the director and the occupational health committee, as soon as reasonably possible, when

(i) any worker is assessed to have received an effective dose determined in accordance with clause 5.1 (a), which has exceeded 20 millisieverts in a year.

(ii) the Lessee or the worker believes the effective dose assigned to that worker to be inaccurate.

(iii) in the case of gamma exposure, exceeded 10 millisieverts in any three month period; or

(iv) in the case of exposure to short-lived radon progeny has exceeded two working level months in any three month period.

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(b) The Lessee agrees to facilitate any investigation by the director or occupational health committee into a high or inaccurate reading reported in subsection 3.5 (a);

(c) Where the Lessee or a worker requests a review of the action taken, or required to be taken, by the Lessee based on the effective dose assessed for a worker, the Lessee agrees that the director in consultation with the Lessee, the worker and the occupational health committee may



review the circumstances and the director may accept such alternative action provided that the standard of health and safety to the worker is not thereby materially affected.

#### 4.0 Nuclear Energy Workers

4.1 The Lessee agrees not to require a worker to be a nuclear energy worker unless that worker has been informed and advised of the significance of that designation.

4.2 The Lessee agrees to inform the director of any worker and the activities of that worker who is required to be a nuclear energy worker.

4.3 The Lessee shall not designate any worker as a nuclear energy worker if advised by the director that in the director's opinion such designation is not necessary.

#### 5.0 Exposure Limits

5.1 The lessee shall ensure:

(a) that the effective dose received by and committed to a person described in column 1 of Table 1 during a period set out in column 2 of Table 1 is as low as is reasonably achievable with economic and social factors taken into consideration and does not exceed the effective dose set out in column 3 of Table 1; and

(b) that the equivalent dose received by and committed to an organ or tissue set out in column 1 of Table 2 of a person described in column 2 of Table 2, during the period set out in column 3 of Table 2, does not exceed the equivalent dose set out in column 4 of Table 2.

5.2 (1) In this section:

(a) “**ALI**”, as the acronym for annual limit on intake, means the activity, in becquerels, of a radionuclide that will deliver an effective dose of 20 millisieverts during the 50-year period after it is taken into the body of an adult or during the period beginning at intake and ending at age 70 after it is taken into the body of a person less than 18 years of age;

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(b) “**E**” means the portion of the effective dose, in millisieverts:

(i) received by a person from sources outside the body and includes x-rays, Canadian Nuclear Safety Commission (CNSC) licensed activities or other sources of radiation arising from human activity; and

(ii) received by and committed to the person from sources inside the body, measured directly or from excreta;

(c) “**I**” means the activity, in becquerels, of any radionuclide that is taken into the body, excluding radon progeny and the activity of other radionuclides accounted for in the determination of E;

(d) “**Rn**” means the average annual concentration in the air, in becquerels per cubic meter (m<sup>3</sup>), of radon 222 that is attributable to a CNSC licensed activity;

(e) “**RnP**” means the exposure to radon progeny in working level months that is attributable to a CNSC licensed activity;

(f) “ $\sum I/ALI$ ” means the sum of the ratios of I to the corresponding ALI.

(2) For the purposes of item 1 of Table 1, the effective dose is the amount ED, expressed in millisieverts, calculated in accordance with the following formula:

$$ED = E + 4 RnP + 20 \sum I$$

ALI

(3) For the purposes of item 2 of Table 1, the effective dose is the amount ED, expressed in millisieverts, calculated in accordance with the following formula:

$$ED = E + 20 \sum I$$

ALI

(4) For the purposes of item 3 of Table 1, the effective dose is the amount ED, expressed in millisieverts, calculated in accordance with either of the following formulas:

(a)  $ED = E + Rn + 20 \sum I$

60 ALI

(b)  $ED = E + 4 RnP + 20 \Sigma I$

#### ALI Appendix B 8 Generic Uranium Surface Lease Agreement Version Jan 2014

5.3 The Lessee agrees that where the effective dose received by a nuclear energy worker is in excess of that specified in subsection 5.1 the Lessee will:

- (a) inform the worker, the director and the occupational health committee as soon as reasonably possible;
- (b) investigate the cause and circumstances leading to this level of radiation exposure; and
- (c) in consultation with the occupational health committee(s), develop a program to minimize the possibility of similar future radiation exposure to such worker and submit the same to the director.

5.4 The Lessee agrees:

- (a) that the importance of reporting a pregnancy to the Lessee as soon as possible will be explained to all female workers at the time at which they enter into employment;
- (b) where the pregnancy of a worker is reported to the Lessee, the Lessee shall make arrangements to ensure that the dose to the abdomen of the pregnant worker does not exceed four millisieverts during the remainder of the pregnancy, (the dose to the abdomen shall be deemed to be equal to the effective dose, other than from radon progeny, unless the Lessee provides to the director, evidence to the contrary); and
- (c) if a pregnant worker desires to continue in employment or training, the Lessee shall reassess and, if necessary, revise the employment duties or educational activities of the worker so that the limit set by clause (b) is not exceeded.

5.5 The Lessee agrees that where a worker exceeds the maximum permitted exposure for any period:

- (a) where the worker is employed by the Lessee, the Lessee will make every reasonable effort to provide the Lessee's worker with suitable alternative employment; and
- (b) where the worker is employed by any other employer, commissioned by or contracted by or otherwise performing services for the Lessee, the Lessee will require the employer to make every reasonable effort to provide that worker with suitable alternative employment.

#### 6.0 Personal Monitoring Appendix B 9 Generic Uranium Surface Lease Agreement Version Jan 2014

6.1 The Lessee agrees to maintain a separate cumulative record on a continuous permanent basis for each nuclear energy worker which shall:

(a) include all measurements pertaining to the actual dose received, both externally and internally, by the worker for the current one-year and five-year dosimetry periods;

(b) include the committed doses received from any radioactive substances deposited within the body of the worker that have been determined by any monitoring or sampling procedures followed at the place of employment or from any bio-assay procedures that have been carried out; and

(c) be given to that worker, the director and the National Dose Registry of Health Canada at intervals not less frequently than every quarter.

6.2 The Lessee agrees to provide this information in a form mutually acceptable to the Lessee, the director and the National Dose Registry.

6.3 The Lessee shall, to the extent of its knowledge, provide each worker who leaves the employ of the Lessee a record of the worker's cumulative effective dose.

6.4 The Lessee shall ensure that a summary of the information sent to the director is made available to the occupational health committee but this summary shall not identify the personal records of any worker.

## 7.0 Records

7.1 The Lessee agrees to preserve dosimetry records required by this appendix during the operating life of the mine and shall forward such records to the director as the director may reasonably require when the mine is closed.

7.2 The Lessee shall make any record required by this appendix available to the director or designate on request.

## 8.0 Training

8.1 The Lessee agrees to provide and implement an effective training program to educate every nuclear energy worker in:

(a) the health hazards associated with radiation work, in particular the health effects of radiation exposure including the need for good hygiene practices and the added risk to a nuclear energy worker of smoking;

(b) the safe working methods and techniques to be used; Appendix B 10 Generic Uranium Surface Lease Agreement Version Jan 2014

(c) the precautions to be taken and the reasons therefore; and

(d) the requirements for medical surveillance contained in this appendix and the importance of complying with these requirements.

8.2 (1) The Lessee agrees that the training program will be:

(a) fully documented;

(b) developed in consultation with the occupational health committee; and

(c) subject to review by and acceptable to the director.

(2) The Lessee agrees that a record will be kept of the training given to each radiation worker.

## 9.0 Protection of Workers

9.1 The Lessee agrees to:

(a) ensure that all protective equipment is suitable for the efficient performance of its intended purpose and is adequately maintained;

(b) require that workers do not smoke, eat or drink except in suitable designated areas;

(c) ensure that appropriate standards of hygiene are maintained in working, rest and eating areas; and

(d) ensure that all workers are encouraged to adopt good hygiene standards.

## 10.0 Medical Surveillance

10.1 The Lessee agrees, with respect to its operations on the leased lands:

(a) to engage the services of a physician for the purpose of providing occupational medical service to workers unless otherwise exempted by the director; and

(b) to ensure that the appointed physician has sufficient opportunity to familiarize himself/herself with the operation to an extent necessary to fulfil his/her purpose effectively.

10.2 The Lessee agrees that the physician shall have reasonable opportunity, resources and facilities to implement appropriate medical services for the health and safety of any worker. Appendix B 11 Generic Uranium Surface Lease Agreement Version Jan 2014

10.3 The Lessee agrees to facilitate the availability of medical services to the worker except that, if the worker refuses, a record of his refusal shall be kept.

10.4 The Lessee agrees to make information regarding the occupational medical service program available to the Chief Occupational Medical Officer of the Ministry of Labour Relations and Workplace Safety and agrees to make reasonable changes as requested by the Chief Occupational Medical Officer.

**TABLE 1**

<b>Effective Dose Limit Item</b>	<b>Column 1 Person</b>	<b>Column 2 Period</b>	<b>Column 3 Effective Dose (millisievert)</b>
1	Radiation worker, including a pregnant occupational worker	(a) One-year dosimetry period  (b) Five-year dosimetry period	50  100
2	Pregnant radiation worker	Balance of the pregnancy	4
3	A person who is not a radiation worker	One calendar year	1

## **Appendix II Rabbit Lake Human Resource Development Agreement**

RABBIT LAKE OPERATION

HUMAN RESOURCE DEVELOPMENT AGREEMENT

Between

The Government of Saskatchewan

and

Cameco Corporation

HUMAN RESOURCE DEVELOPMENT AGREEMENT

THIS AGREEMENT effective

\_\_\_\_\_,  
2001.

BETWEEN:

THE GOVERNMENT OF SASKATCHEWAN as represented by the Minister of Saskatchewan Post-Secondary Education and Skills Training (hereinafter called the “Minister”)

- and -

CAMECO CORPORATION, a corporation incorporated under the laws of Canada and registered to carry on business in the Province of Saskatchewan, Operator of the Rabbit Lake Operation (hereinafter called the “Operator”)

WHEREAS, Cameco Corporation and Uranerz Exploration and Mining Limited have entered into an agreement with the Government of the Province of Saskatchewan known as the “Rabbit Lake Operations Surface Lease Agreement” dated the twenty-fourth day of July, AD 1990 (hereinafter called the Rabbit Lake Operation Surface Lease);

AND WHEREAS the Minister has the authority to enter this Agreement according to Section 5 of The Department of Post-Secondary Education and Skills Training Act 2000.

AND WHEREAS the Parties to this Agreement recognize that the Rabbit Lake Operation represents a major development with the potential to provide significant employment and business benefits to Residents of Saskatchewan’s North.

AND WHEREAS both Parties have agreed that, for the purposes of this Agreement, the following terms and expressions shall have the meanings given to them herein:

Saskatchewan’s North

The region denoted by “SASKATCHEWAN’S NORTH” shall mean that portion of Saskatchewan described in the Northern Municipalities Act Chapter N-5. 1 Reg. 1 pursuant to Order in Council 1483/83 dated September 28, 1983.

Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation Rabbit Lake Operation Human Resource Development Agreement Page 2

## Resident of Saskatchewan's North

The Parties shall consider a person to be a RESIDENT OF SASKATCHEWAN'S NORTH if that person satisfies one of the following criteria:

(a) A person who has resided in Saskatchewan's North for a period of 10 years or one half his or her age, whichever is the lesser. Such a person:

- shall not lose status by relocating outside of Saskatchewan's North for educational purposes;
- shall not lose status by relocating outside of Saskatchewan's North for five years or less; and
- shall regain status if he or she has lived outside of Saskatchewan's North for more than five years but re-establishes primary residency in Saskatchewan's North at the time of hire.

(b) A person who transfers from one mine operation in Saskatchewan's North to another, or is re-employed within one year after leaving mine employment in Saskatchewan's North, and who met the criteria of a Resident of Saskatchewan's North contained in the applicable Human Resource Development Agreement at the time of recruitment to that operation.

(c) A person who has been designated by the Minister to be a Resident of Saskatchewan's North.

## Impact Communities

PRIMARY IMPACT COMMUNITIES shall mean those municipal or First Nations communities located in Saskatchewan's North designated by the Operator, and named in each Human Resource Development Plan pursuant to Article 6.2 (b) whose labour pool will have the highest priority for recruitment, where feasible, for available positions on the Rabbit Lake Operation.

SECONDARY IMPACT COMMUNITIES shall mean all municipal or First Nations communities located in Saskatchewan's North, apart from the designated Primary Impact Communities, whose residents collectively form the labour pool which the Operator will give, where feasible, second priority in recruitment for available positions on the Rabbit Lake Operation.

## Pick-Up Points

A PICK-UP POINT shall mean a community from which transportation chartered by the Operator is provided to and from the Rabbit Lake Operation for employees of the Operator. Pick-Up Points are designated by the Operator and named in each Human Resource Development Plan pursuant to Article 6.2 (b).

## Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation

## Stages of the Rabbit Lake Operation



For the purposes of this Agreement, the STAGES of the Rabbit Lake Operation are as follows:

Operation Stage

Shut-Down Stage

Decommissioning and Reclamation Stage V

Post-Decommissioning Stage

Employment Classification V V

The term EMPLOYMENT CLASSIFICATION shall mean any designation used by the employer to describe a set of performances and responsibilities which is currently accepted by the mining community as defining a distinct and identifiable position.

NOW THEREFORE the Parties agree as follows:

Article 1.0 Intent V

1.1 It is the intent of the Parties to provide a cooperative atmosphere for the Operator to maximize project-related employment V and economic opportunities for Residents of Saskatchewan's North, in accordance with the Articles of Part IV of the Rabbit Lake

Operation Surface Lease.

1.2 Specifically, it is the intent of the Parties to this Agreement to maximize the direct recruitment, hiring, training, and advancement opportunities available to Residents of Saskatchewan's North in general and to Residents of Saskatchewan's North from the Primary and Secondary impact Communities in particular.

1.3 The Parties agree that, subject to social and economic factors, this Agreement will provide for the establishment of:

(a) A mutually agreed-upon framework of reasonable expectations and measurable objectives in sufficient detail acceptable to all Parties concerning the responsibilities of the Operator and responsibilities of the Minister regarding the recruitment, hiring, training, and advancement of Residents of Saskatchewan's North in general and of Residents of Saskatchewan's North from the Primary and Secondary Impact Communities in particular; and

(b) An effective and ongoing means of monitoring and evaluating the performance of the Parties in achieving the agreed-to expectations and measurable objectives regarding the recruitment, hiring, training, and advancement of Residents of Saskatchewan's North in general and of Residents of Saskatchewan's North from the Primary and Secondary Impact Communities in particular.

Article 2.0 Scope of Covenant

2.1 The covenants of the Operator in this Agreement have reference duly to the operations of the Operator to be conducted on the leased lands defined in the Rabbit Lake Operation

Surface Lease and not to any other operations of the Operator.

2.2 The Parties agree that this Agreement will apply to all Stages of the Rabbit Lake Operation.

2.3 Without limiting the intent of any Article of this Agreement, where practicable the Operator shall use its best efforts to ensure that all contractors of the Rabbit Lake Operation shall comply with the spirit and intent of this Agreement to maximize their recruitment, hiring, training and advancement of Residents of Saskatchewan's- North in general and of Residents of Saskatchewan's North from the Primary and Secondary Impact Communities in particular.

2.4 This Agreement and other agreements entered into between the Operator and the Minister in furtherance of this Agreement shall be subject to the terms and conditions of any collective bargaining agreements applicable to employees of the Rabbit Lake Operation.

2.5 The Parties expressly acknowledge and agree that nothing-in this Agreement is intended to or does require the Parties to undertake any practice or policy which contravenes any provision of the Canadian Human Rights Act (Canada) or The Saskatchewan Human Rights Code, any Regulations enacted pursuant thereto or any policy or guideline of the Canadian

Human Rights Commission or the Saskatchewan Human Rights Commission.

Article 3.0 Responsibilities of the Operator

3.1 The Operator shall use its best efforts to undertake special recruiting efforts in Saskatchewan's North in co-operation with local governments, First Nations, Metis, and federal and provincial agencies, and shall, where practicable, use its best efforts to cause all contractors working on site to adopt similar recruitment efforts.

3.2 The Operator shall use its best efforts to recruit Residents of Saskatchewan's North firstly from the Primary Impact Communities, secondly from the Secondary Impact Communities in general, and lastly from communities outside Saskatchewan's North.

3.3 The Operator shall, to the extent practicable, upgrade and train its employees in relation to the Operator's needs and obligations and ensure a positive work environment which is conducive to employees, in particular Residents of Saskatchewan's North, achieving increased knowledge and accepting greater responsibility in their employment opportunities with the Operator.

3.4 The Parties agree that on-going and progressive on-the-job training is an effective approach to meeting the intent of this Agreement and that such training will be offered by the Operator to its employees, in particular Residents of Saskatchewan's North, to the extent practicable. The Operator agrees that, to the extent practicable, it will use its best efforts to ensure its contractors' employees are provided the same on-the-job training by the contractors.

3.5 The Operator shall use its best efforts to organize and implement its training programs so that employees, in particular Residents of Saskatchewan's North, completing the training will be able to use the skills acquired and time spent as credit towards certification or status recognized by Saskatchewan training institutions and such other accreditation-granting bodies that are recognized in-Saskatchewan.

3.6 The Operator shall use its best efforts to increase the number of Residents of

Saskatchewan's North at the Rabbit Lake Operation certified as journey persons through such efforts as:

(a) providing opportunities for employment and training in positions that are designated as trades by the Apprenticeship and Trade Certification Commission, where practicable; and -

(b) recording the details of employment with the Northern Office of the Apprenticeship and Trade Certification Commission according to The Apprenticeship and Trade Certification Act 1999, where it is mutually advantageous and agreeable to the

Operator and an employee.

3.7 The Operator shall have the ultimate responsibility for the establishment of internal training programs necessary to meet its needs on the Rabbit Lake Operation.

3.8 The Operator shall have the sole and final responsibility for recruiting its employees and for determining the positions in which its employees can best use their present skills and trainable potential.

#### Article 4.0 Responsibilities of the Minister

4.1 The Minister shall use his or her best efforts to provide basic education and literacy training which will make the transfer of skills on-the-job more effective and the Operator will cooperate with the Minister in this regard, where practicable. It is agreed that provision of opportunities for professional and technical education in Saskatchewan's North would assist Residents of Saskatchewan's North to compete for a wider range of jobs associated with the Rabbit Lake Operation.

4.2 The Minister shall make the curriculum development and instructional material resources of Saskatchewan Post-Secondary Education and Skills Training, Northern Office available to the

Operator, to the extent practicable, to provide the Operator assistance in the design or delivery of any of the Operator's training programs related to the Rabbit Lake Operation.

#### Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation

4.3 The Minister agrees to submit to the Operator, at such times as the Operator may request, information from Saskatchewan Post-Secondary Education and Skills Training's Northern Human Resource Data Bank which the Minister considers would be useful in providing a community-by-community skill profile of Saskatchewan's North based on data available to Saskatchewan Post-Secondary Education and Skills Training. This shall not apply to any information which the Minister is prevented by law from disclosing.

#### Article 5.0 Responsibilities of All Parties

5.1 All Parties agree to work co-operatively with government agencies, training delivery agencies, and industry counterparts through partnerships, such as the Mineral Sector Steering Committee, which have goals in common with this Agreement to maximize the training and employment of Residents of Saskatchewan's North in the mineral sector.

5.2 All Parties agree to enter into discussions with the goal of identifying and developing pre-employment and employment-advancement training programs related to the Rabbit Lake Operation. Such programs will be delivered by the appropriate institution or agency.

5.3 All Parties agree to co-operate in sharing the costs of apprenticeship training and in planning the location, schedule, and means of delivery of apprenticeship instruction related to the Rabbit Lake Operation.

5.4 All Parties agree to discuss, within one month following the execution of this Agreement, their respective financial commitments regarding the training of current and prospective employees of the Operator and the Operator's contractors for the Rabbit Lake Operation. Such discussions may take place solely between the Parties or among a mutually advantageous partnership such as the Mineral Sector Steering Committee.

5.5 All Parties agree to initiate planning of training programs to meet the demand of the Rabbit Lake Operation within one month following the execution of this Agreement. Such planning may take place solely between the Parties or among a mutually advantageous partnership such as the Mineral Sector Steering Committee.

#### Article 6.0 Monitoring V

6.1 The Parties agree that the Minister has primary responsibility for monitoring the success of activities undertaken to address the objectives of this Agreement.

6.2 The Operator shall prepare and submit to the Minister annual Human Resource Development Plans, acceptable to all Parties. The Human Resource Development Plan will set forth the

mutually agreed-upon goals of the Operator and report on the progress and achievements of the Operator in addressing the intent of this Agreement and the commitments outlined in Sections 1, 2, 5, and 6 of Appendix E of the Rabbit Lake Operation Surface Lease during the period covered by the Plan. The Operator agrees that each Human Resource Development Plan Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation

- (a) Will be submitted on, or before, the last day of March of each year.
- (b) Will include a listing of designated Primary Impact Communities and Pick-Up Points.
- (c) Will include a projection of its employment and recruitment needs for the period covered by the plan, listing those Employment Classifications for which Residents. of Saskatchewan's North will be given priority in recruitment, hiring, and advancement.
- (d) Will include a report on its progress and achievements in addressing the Social and Economic Benefits Commitments according to Appendix E of the Rabbit Lake Operation Surface Lease, specifically:
  - (i) The Operator's progress and achievements in meeting its Employment Commitment to use its best efforts to increase employment participation by Residents of Saskatchewan's North overall in its mining operations in Saskatchewan's North to ultimately achieve a goal of 67%.
  - (ii) The Operator's progress and achievements in meeting its Employee Education and Training Commitment to develop and implement education and training plans for its employees of the Rabbit Lake Operation, as outlined in Articles 3.3 to 3.7 of this Agreement.
  - (iii) The Operator's progress and achievements in meeting its "Stay in School Program" Commitment. The Operator commits to work in co-operation with its industry counterparts, government and northern educational institutions to plan and implement programs that will encourage students who are Residents of Saskatchewan's North to pursue higher levels of education and consider professional careers related to the mining industry.
  - (iv.) The Operator's progress and achievements in meeting its Employee Services Commitment to provide suitable on-site services to its employees of the Rabbit Lake Operation; to consider employee suggestions for enhancement of such on-site services; and to provide its employees with counselling through a joint company/employee-sponsored employee assistance program.
- (e) May be re-assessed at any time upon mutual written consent by the Parties in relation to, but not limited to:
  - (i) the Operator's recruitment and hiring of Residents of Saskatchewan's North in general and Residents of Saskatchewan's North from the Primary and Secondary Impact Communities in particular; and/or Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation Rabbit Lake Operation Human Resource Development Agreement Page 8

(ii) the training and advancement of the Operator's employees of the Rabbit Lake Operation who are Residents of Saskatchewan's North in general and Residents of Saskatchewan's North from the Primary and Secondary Impact Communities in particular.

6.3 The Operator shall prepare and file with the Minister quarterly Employment Status Reports containing employment statistics for the Rabbit Lake Operation and its on-site contractors which reflect the degree of achievement of the intent of this Agreement. The reports will:

(a) be submitted at the end of the first quarter following the execution of the Rabbit Lake Operation Surface Lease with the Government of Saskatchewan and shall be submitted quarterly thereafter; -

(b) list the employees on-site in each Employment Classification of the Rabbit Lake Operation;

(c) list the employees on-site in each Employment Classification of the Rabbit Lake Operation who are Residents of Saskatchewan's North; and

(d) list the employees on-site in each Employment Classification of the Rabbit Lake Operation who are Residents of Saskatchewan's North from the designated Primary Impact Communities.

#### Article 7.0 Evaluation of the Agreement

V (iii) The Parties agree to re-assess at any time upon mutual written consent the agreed-to expectations set forth in this Human Resource Development Agreement concerning, but not limited to the Operator's recruitment, hiring, training, and advancement of Residents of Saskatchewan's North in general and of Residents of Saskatchewan's North from the Primary and Secondary Impact Communities in particular.

#### Article 8.0 Assignments

8.1 The Operator shall not assign, transfer or subject this Agreement or any part hereof or any of the rights' or responsibilities contained herein without the written consent of the Minister, which consent shall not be unreasonably withheld, and in the event an assignment is made, the assignee shall become a Party to this Agreement.

8.2 In the event that any other legal entity owned, directed, controlled, or contracted by the Operator becomes the operator of the Rabbit Lake Operation, then the said entity shall become a Party to this Agreement and all references applicable to the Operator hereunder as operator shall be interpreted as referring to the said entity. The Operator shall ensure that the said entity assumes and performs all the obligations and responsibilities of the Operator hereunder as operator.

Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation

Article 9.0 Notices

Any notices or communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed as follows:

(a) in the case of a notice or communication to the Minister:

Legislative Building

Regina, Saskatchewan, Canada

S4S 0B3

Attention: Minister of Saskatchewan Post-Secondary Education and Skills Training

Facsimile: (306) 787-2202

with copies forwarded to:

Region One, Regional Services Branch

Saskatchewan Post-Secondary Education and Skills Training

P.O. Box 5000

La Ronge, Saskatchewan, Canada V

SOJ1LO

Attention: Regional Director -

Facsimile: (306) 425-4383 V

(b) in the case of a notice or communication to the Operator:

Cameco Corporation V2121 - 11th Street West

Saskatoon, Saskatchewan, Canada

S7M1J3

Attention: Director Human Resources

Facsimile: (306) 956-6539

or to such other address as either Party may notify the other in accordance with this Article and if so delivered shall be deemed to have been given when delivered, or at the time of confirmation of electronic transmission if sent by facsimile or e-mail if such day is a business day, otherwise the next business day following, and if so mailed shall be deemed to have been given on the third

business day after the date of mailing except in the case of a mail strike or other disruption of postal service in which case it shall be deemed to have been given on the third business day after such strike or disruption ceases.

#### Article 10.0 Confidentiality V

All information exchanged between the Parties hereto is confidential except that information which is agreed, in writing, not to be confidential. -

Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation

Rabbit Lake Operation Human Resource Development Agreement Page 10

#### Article 11.0 Entire Agreement Clause

This Agreement constitutes and contains the entire and only agreement between the Operator and the Minister concerning the enhancement of employment and economic opportunities for Residents of Saskatchewan's North with respect to the Rabbit Lake Operation, and supersedes and cancels any and all pre-existing Human Resource Development Agreements.

#### Article 12.0 Amendment and Re-Negotiation

12.1 The Parties may amend this agreement by a written instrument executed by all Parties.

- 12.2 The Operator may by written notice to the Minister request re-negotiation of this Agreement, consent to which the Minister shall not unreasonably withhold.

12.3 The Minister on reasonable notice to the Operator shall have the authority to require that the Operator re-negotiate this Agreement, where the Minister views that social, economic or other factors necessitate such a re-negotiation.

#### Article 13.0 Binding Effect

This Agreement and everything herein contained shall enure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto and the expression "Minister" shall be construed as including the successors in the office of Saskatchewan Post-Secondary Education and Skills Training, and shall include such other members of the Executive Council for the Province of Saskatchewan that are designated by the Lieutenant Governor in Council as being the Minister responsible for this Agreement, and includes the successors in office of such other members of the

Executive Council.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.



MINISTER OF SASKATCHEWAN POST-SECONDARY EDUCATION AND SKILLS  
TRAINING -

Per:

Witness:

CAMECO CORPORATION

Per:

---

Witness:

Saskatchewan Post-Secondary Education and Skills Training and Cameco Corporation

**Appendix III Notice from Norwegian Labour Inspection Agency 26.06.2012**

Sydvaranger Mine AS  
PO Box 412  
9915 KIRKENES

Att. Trine Rohde. Sydvaranger Mine AS  
YOUR APPLICATION FOR averaging WORKING. DECISION,  
JF. WORKING LAW § 10.5 (3).

Refer to your application by 08.06.12 on averaging the ordinary working for their unionized workers who are also commuters.

Referring further to their complementary deepened our understanding of 22 and 26.06.12. Labour Inspection may pursuant to the Working Environment Act (WEA) § 10.05 (3) consent to the Normal working hours during a maximum period of 26 weeks on average is not longer than prescribed in § 10-4 but so that the total working hours do not exceed 13 hours during the 24 and 48 hours within seven days.

The limit of 48 hours can be averaged over an 8 week period. A consent to averaging means that for example can be given consent work more than normal some days or weeks, at that time off on other days, so the average working hours during the 26 weeks is within the scope of § 10-4. WEA § 10.12 (6) and (7); see. (8), lays down also specific exemptions as exceptional cases provide a basis for OSH consent.

**About application**

One work plan (14/21 scheme) runs over 5 weeks. In Week 1 we are working 12 hours working five days in a row, Wed-Sun, a total of 60 hours - 55 hours active working. In Week 2

we are working 12-hour working (incl. breaks) seven days in a row, Mon-Sun, totaling 84 hours - 77 hours active working.

It is not stated whether the employees at the employer disposal in the daily passive working time (pause time). In week 3 we are working 12 hours days Mon Tue. Week 4 and 5 are friuker. Average working hours are stated to be 33.6 hours a week. The work plan with 14/14 scheme runs over 4 weeks. In Week 1 we are working 10.5 hours working days six days in a row, Tues-Sun, totaling 63 hours - 57.6 hours is stated to be active working. In Week 2 we are working 10.5 hour working day (incl. breaks) seven days in a row, Mon-Sun, totaling 73.5 hours - 67.2 hours is stated to be active working. When the break is not paid, presupposes we prevent workers at the employer's disposal in the daily passive working time (Pause time). In week 3 we are working 10.5 hour days Monday. The rest of the week 3 is friuke. Week 4 is friuke. Average working hours are stated to be 33.6 hours per week.

The applications have been discussed with union representatives, which supports the application.

### **Labour 's assessment**

Consent for averaging must be considered holistically and in relation to the rules AML § 10-5 ( 3) stipulates , in light of management practices in this area . There will be special emphasis on considerations of health and welfare. It must also fulfill the requirements in AML § 10-4 ( 1) .

Labour Inspection discretionary management practice dictates that individual weeks of 60-hour Work weeks are generally the maximum we give permission. These applied working arrangements include 84- and 73-hour weeks, which respectively 77- and 67-hour week is active work.

Research shows that the long working hours (9 hours or more) increases for example accidents. When work weeks in addition, long (many guards in a row), considered such working arrangements also being too bothersome.

Consequently, they are basically contrary to our management practices. According to our management practices given the continuing normally consent to individual guards with maximum 10- to 10.5 hours per active work.

Today, over 24 hours. In one applied working scheme wishes to work 11 hours per active. Today and 7 days in a row. Accordingly, this also basically contrary to our management practices. The other working arrangement includes 9.6-hour working actively pr. day - but 7 days in a row. Compared with our 60 hour week practice, cf. above, this is consequently also basically contrary to our management practices.

Moreover, we can not see that the provision on weekly off-duty is fulfilled in the applied working arrangements, see. aml § 10.08 (2). In our opinion is not in an exception situation with such significance to safety as WEA § 10.12 (6) deals, ref. (8).

In light of the significant deviations from WEA and management practices that it applied working hours should represent, will not it crucial for granting it here stated to revolve around commuter operations.

If Sydvaranger Mine AS wants to organize working time with working time arrangements deviate from the main rules of the Working Environment working section and from OSH remaining administrative practice, the business may try to negotiate a deal through WEA § 10-12 (4). If such an agreement is capable of a majority of the employees, also comes WEA § 10-12 (5) applies.

### **Decisions**

Consent is not given , cf . Aml § 10.05 ( 3 ) , ref. § 10.04 ( 1 ) . This is an individual decision by the Public Administration . About appeal - see attached form

with regard

Labour Inspection Northern Norway

Hallgerd Sjøvoll

supervising manager

(sign. )

Otto Bjarte Johnsen

legal adviser

(sign. )

This letter is approved electronically in Labour Inspection and therefore has no signature .

Cc: Unions and safety representatives

Attachment: Notice of right to appeal an administrative decision

## **Appendix IV Notice from Norwegian Labour Inspection Agency 19.11.2012**

**957768**

Sydvaranger Gruve AS AVD MINING

PO Box 412

9915 KIRKENES

Monitoring of supervision

We refer to inspecting Sydvaranger Gruve AS AVD MINING the 09.06.2012.

### **Decisions of order**

In audit report with notification of order of 31.10.2012 did you deadline 16/11/2012 to come with comments. We have received feedback from you. You have no objections received notification of order, but wants extended deadline. Work Authority pursuant to the Working Environment Act § 18-6 first and sixth paragraphs to issue orders and set conditions.

We provide the following order:

Orders 1 Hiring - cooperation between the hirer and the landlord about working  
Employer (hirer) shall take measures to ensure cooperation with the landlord so that hired workers have working arrangements with in accordance with Chapter 10 of the Working Environment Act.

Terms:

In order to assess whether the order is implemented, we must have received within the deadline:

- Summary of measures

Legal basis: Working Environment Act §§ 2-2 first paragraph letter b and 3-1 second paragraph letter e  
Deadline for completion: 12/12/2012

Reason:

Employer (hirer) and lessor shall cooperate to ensure that workers have working arrangements in accordance with Chapter 10 of the Working Environment Act. The employer shall implement measures to ensure cooperation in working with the landlord. This follows from the Working Environment Act §§ 2-2 subsection b and 3-1 second paragraph letter e.

Examples of measures of the hirer to ensure cooperation with the landlord are:

- keep records of working time sent landlord to ensure that the commissioning of overtime work takes place within the Working Environment Act § 10-6 and that hirer do this in consultation with the landlord. This means that hired worker should be aware that the employee may not undertake overtime work without it is clarified with the landlord

During the audit it was revealed that the employer (hirer) and the landlord does not cooperate to ensure that temporary workers have working arrangements with in accordance with Chapter 10 of the Working Environment Act. A breach of the Working Environment Act § 2-2 first paragraph letter b.

Order 2 Hiring - routine to ensure that provisions on overtime are safeguarded

Employer (hirer) shall establish a routine that ensures that the provisions on overtime are lived for contract workers. Officers or employees' representative shall participate in preparation of routine.

Terms:

In order to assess whether the order is implemented, we must have received within the deadline:

- A copy of the routine
- A copy of the relevant agreements with representatives if the business is bound by a collective agreement
- Description of how representatives / employee representative has participated

Legal basis: Working Environment Act §§ 10-6, 3-1, first paragraph and second paragraph letter e and 2-2 subsection letter a

Deadline for completion: 12/12/2012

Reason:

Employer (hirer) shall establish routine to prevent breaches of overtime provisions. Employers also have a responsibility to ensure that contract workers comply overtime provisions when performing work for the hirer. Employees and their representatives shall participate in the preparation of routine. This follows from the Working Environment Act §§ 10-6, 2-2 first paragraph a and 3-1, first paragraph and second paragraph letter e.

The routine must ensure that the employer (hirer) collaborates with the landlord about the use of overtime

- considering whether there is an exceptional and time-limited need for work beyond the agreed working
- If possible, discuss the necessity of work beyond the agreed working with officers
- ensure that each worker not to exceed overtime
- ensure that overtime under § 10-5, fifth paragraph and 10-6 sixth paragraph is voluntary
- ensure that the employee is exempt from work beyond the agreed working hours when the employee of health or weighty social reasons if
- if applicable, ensuring that relevant agreements with employee representatives have been signed

In order to work beyond the working hours agreed between employer and employee, there must be a "special and time-limited" required. With particular need is meant that it must have occurred particular circumstances of the business that must be remedied by the use of extra work workers. Such special needs may be unexpected workload, seasonal fluctuations, unforeseen events, a risk that products or equipment takes damage, lack of labor with special skills or the like. Furthermore, the need that arises in business be limited in time. This means that the need which has a permanent imprint, does not allow to work beyond the agreed working hours.

The employer shall through consultations involving employees in business operations and decisions. The purpose of the discussions is to obtain a better basis for making decisions.

Work Act has limits on how much overtime each employee can work.

The limits set out in the Working Environment Act § 10-6. Overtime work beyond the scope of § 10-6, fourth paragraph requires that the employee in each case have agreed to it.

During the audit it was revealed that the business uses overtime for contract workers in violation of rules on the use of overtime. Employer (hirer) has no routine to ensure that the provisions if overtime is complied for contract workers.

A breach of the Working Environment Act §§ 6.10, 1.3, second paragraph letter e and 2-2 subsection subparagraph a.

### **What happens if you do not fulfill the order within the time limit?**

Otherwise orders are fulfilled within the deadline, we can impose coercive you, ref. Working Environment Act § 18.7. Coercive fines will say that you have to pay a fixed amount for each day or each week until you have fulfilled the order, or that you must pay a lump sum. We can

also completely or partially stop business activities until you have fulfilled the order, cf.. Working Environment Act § 18-8.

You can complain You can appeal this order, cf.. Administration Act § 28. The deadline to appeal the decision is three weeks from you receive this letter. In the appendix you will find detailed information on how you complain.

### **What must you do?**

You must send us a written feedback for each order before the deadline.

The response shall be signed by the employer or a deputy. Feedback can also be signed by the safety representative or an employee representative. Remember to state reference number 2012/19923.

Give a copy of this letter to the safety representative

The safety representative shall be informed of the decision from the Labour Inspectorate, ref. Working Environment Act §§ 6-2 sixth paragraph and 18-6 eighth paragraph. We have therefore attached a copy of this letter as an employer shall disclose to the safety representative. If your business has less than ten employees and parties written agreement not to have safety representatives, the employer shall give this letter to the representative for the employees.

Do you need more information?

You can find more information about the Labour Inspectorate and the regulations on [www.arbeidstilsynet.no](http://www.arbeidstilsynet.no), or you can contact us on 815 48 222. If you have questions about their case, asking we you contact the caseworker. Enter the reference number 2012/19923 if you contact

with regard  
Labour Inspection  
Hallgerd Sjøvoll  
supervising manager  
(sign. )  
Anita Johnsen  
inspector  
(sign. )

This letter is approved electronically in Labour Inspection and therefore has no signature .  
Cc :

The organization's safety representative  
attachments:

Notification of the right to appeal against administrative decisions

## **Appendix V Notice from Norwegian Labour Inspection Agency 18.01.2013**

Sydvaranger Gruve AS AVD MINING  
PO Box 412

9915 KIRKENES

Monitoring of supervision

We refer to inspecting Sydvaranger Gruve AS AVD MINING the 09.06.2012.

Fulfilled orders

We refer to feedback from business dated 11/12/2013

Orders 1 Hiring - cooperation between the hirer and the landlord about working  
In the feedback, it was stated for the measures the company has performed.  
On the basis of feedback is the order fulfilled.

Order 2 Hiring - routine to ensure that provisions on overtime are safeguarded

In the feedback, it was stated for the measures the company has performed.  
On the basis of feedback is the order fulfilled.  
Give a copy of this letter to the safety representative

The safety representative shall be informed of the decision from the Labour Inspectorate, ref.  
Working Environment Act §§ 6-2 sixth paragraph and 18-6 eighth paragraph.

We have therefore attached a copy of this letter as an employer shall disclose to the safety representative. If your business has less than ten employees and parties written agreement not to have safety representatives, the employer shall give this letter to the representative for the employees.

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with regard  
Labour Inspection  
Hallgerd Sjøvoll  
supervising manager  
(sign. )  
Anita Johnsen  
inspector  
(sign. )

This letter is approved electronically in Labour Inspection and therefore has no signature .

Cc :

The organization's safety representative