

Institute of Corporate Directors

Podcast Transcript: Be It Resolved That Indigenous Partnerships Are Critical to Unlocking Canada's Global Competitiveness.

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Rahul Bhardwaj (00:02): Welcome to Be It Resolved, the podcast where bold ideas meet courageous leadership. I'm your host, Rahul Bhardwaj, President and CEO of the Institute of Corporate Directors in Canada. In each episode, I speak with experts to delve into pressing issues, impacting directors and decision-making in the boardroom.

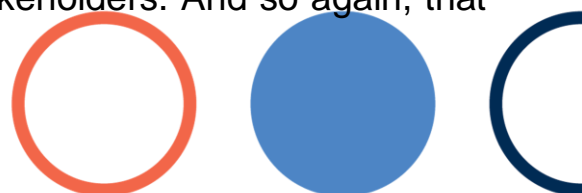
Now, today I am very pleased to have two guests joining the podcast episode, John Desjarlais and Trent Zacharias. John is a Nehinaw Cree Metis from Cumberland House, Saskatchewan. He's the executive director of the Indigenous Resource Network, or IRN, Leading Change in IRN's advocacy campaigns. Trent is the director of community and Indigenous Affairs at Cenovus Energy, and he leads the company's efforts in working with a multitude of stakeholders, including Indigenous communities, municipal governments, and not-for-profit organizations.

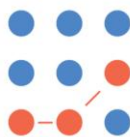
Welcome John. Welcome Trent.

Now, to our listeners today, our resolution is: Be it resolved that Indigenous partnerships are critical to unlocking Canada's global competitiveness. Our listeners, you might wanna ask yourself, which way would you vote now for partnerships, obstacles, or opportunities? And we're gonna delve into that conversation with Trent and with John.

So, John, why don't we hear a little bit from you to start with, and tell us a little bit about the importance of Indigenous partnerships?

John Desjarlais (01:33): Yeah, absolutely. I think that's certainly the discussion that we're hearing more and more often, not just across Canada but across the world. The breadth and depth of that relationship are being explored, and then hopefully we'll talk a little bit about it later about stakeholders. And so again, that relational aspect, and it's a business opportunity.





I think what we saw in the past is that development decisions were often decided far before there was ever any type of engagement with Indigenous communities, let alone considerations for rights or title or anything like that. And then that just created an environment where communities were in the way, or a part to be managed, or a process to be managed.

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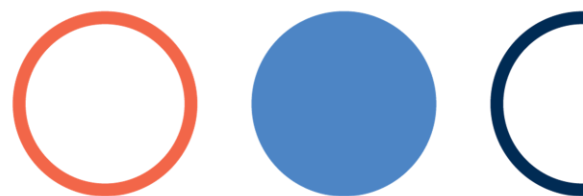
I think as things evolved, as jurisprudence evolved, times have certainly changed now. Organizations, industry, and business now see looking at those relationships as a way to get in front. If we can partner with communities in real meaningful ways, those communities can advocate for development, they can support consultation, they can support streamlining regulatory processes, they can help to manage risk in terms of development.

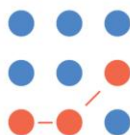
So I think there's all these business benefits that are starting to be realized and that relationship is a little bit turned on its head. We can get in front of that and develop a really good relationship, we'll have a strong pathway to success in terms of getting projects developed much quicker, much more efficiently in Canada.

Rahul Bhardwaj (02:56): Excellent. We'll come back to that stakeholder concept in a minute, but Trent, I wanna bring you in because I know Cenovus has done a lot of work in this area and I think from what I recalled, it's a little bit more, or maybe a lot more than just about managing risks.

Trent Zacharias (03:10): Yes. So, I think you started off the conversation by asking that the question of, you know, on partnership, obstacle, or opportunity, and I'm gonna say right outta the gate, it's opportunity. And that is something that, you know, I've been with Cenovus for 19 years, and that's certainly been the way that we've approached it right out of the get-go.

And I think when I think of partnerships, I really think of it in a multitude of different ways. I mean, there's the bigger equity-type partnerships that we're seeing a lot more of in the resource industry. I think there's social partnerships that you do together all with a joint commitment of working together to advance communities and Nations and make them stronger.





And then I think there's the broader business partnerships that we do, which is really doing business together, procuring goods and services from Indigenous-owned companies.

And I think all of those things, at least for Cenovus, come together to form the basis of the partnerships that we explore with the many Indigenous nations that we work with. And I think it is an opportunity. I think it makes us stronger as a company. It strengthens community, it advances the economy, and we just continue to see that grow and progress over time.

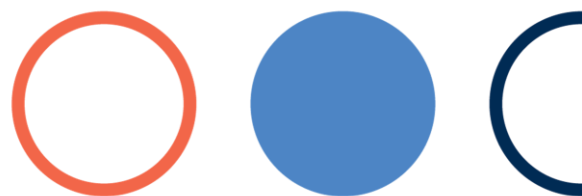
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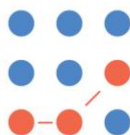
Rahul Bhardwaj (04:19): And maybe we can talk a little bit more about the value that you see here and the value along the chain, in fact the value chain. And John, maybe I'll start with you on that. Describe that a little bit more.

John Desjarlais (04:29): Yeah, absolutely. I think, again, kind of talk about that historical context, where industry and developments, engaging with communities, part of a process, consultation, very procedural, it's very different now. And Trent gave some incredible examples. You know, what are the opportunities, how do you build partnership, how do you find value? And then expand and strengthen that value chain within procurement and business development and community development.

And what does that look like in terms of creating opportunity, business opportunity partnership, and in terms of increasing condition in Indigenous communities; economics, social, socioeconomic conditions, what does that kind of look like throughout? It's being more explored and almost cable stakes in some industries and with some industry players, like Trent said, it's just the way business is done. And then of course there's ownership, there's equity ownership, and there's all that value that's derived out of their fiscal.

And then of course, from an acumen and capacity perspective, Indigenous people are much more involved in governance and in the ESG of organizations and in decision-making and part of that process as well too.





So, it's creating a lot of value. It's deepening the relationship between the two Indigenous groups where it's almost becoming hard to separate them now. And so Indigenous people are becoming industry and industries becoming Indigenous, right? And it's not about, you know, hopefully less and less about managing relationship, but it's just how do we realize a more sustainable benefit and manage impact together.

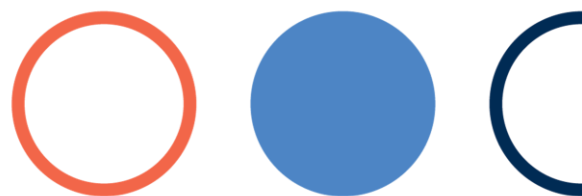
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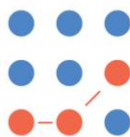
Rahul Bhardwaj (05:56): Trent, you mentioned your long tenure with Cenovus. Have you seen this evolve? Where's the value that you've seen?

Trent Zacharias (06:02): Yeah, so early on and you touched on I think in one of your comments early on too, around managing risk. And I think in the very early parts of my career, I think in that resource industry in general, and John, I think you touched on this too, is really it was seen as kind of a risk management. I think companies were smart enough to look and say, okay, in a regulatory process, there's a key group here if they support what it is that we're doing, can really complement our business. If they don't, they can really hinder our ability to move forward if, you know, in the regulatory process or in the legal process.

And where I've seen that change over time is an appreciation and respect that that regulatory and legal risk exists but that isn't your driver. Your driver is that you have a real authentic opportunity to build relationships with Indigenous groups for mutual benefit. It's two way. We get just as much out of those relationships and partnerships I would hope as the Nations and communities do. And that it can actually complement our business.

In lots of ways, whether it's the goods and services they provide at our company or the other thing that I've seen evolve over time is an appreciation for the strength of the voice that Indigenous people have, the influence that they have on society, on public policy, on sentiment. And that when we're aligned together and moving in the same direction, we can do some pretty incredible work. And I think that's part of what I've seen as well. And that's all part of that partnership shift.





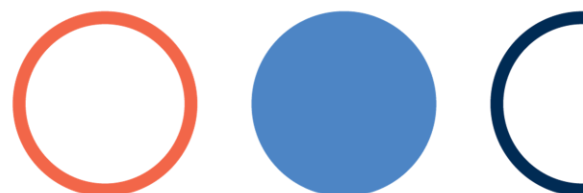
Rahul Bhardwaj (07:31): So, let's go back to what John spoke about a little bit earlier around stakeholders. Let's unpack this a little bit because you also referred to ESG. We're in interesting times right now and there's a lot of push-back on ESG, even from stakeholders. I'd say there's a bit of push-back there. And the shareholder's perspective on these mutual benefits raises the skepticism amongst some folks. Folks will say, okay, we can understand the managing risks, but corporations, are you really in business to actually create benefits on a mutual basis that might not be, let's say, indexed towards shareholders and they might be indexed towards stakeholders at times and some have some issues around that. John, what's your thinking around that?

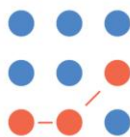
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John Desjarlais (08:16): Yeah, absolutely. I think from a traditional business or kind of a western ideology perspective, there's those distinctions there. And I think some of the things, the nuances that are coming out now is I think organizations are not realizing benefits, period. They're not building, they're not developing, they're not growing. There's so much influence from Indigenous communities on development speed, you know, and development effectiveness on all those things.

Managing that relationship and managing Indigenous communities as stakeholders hasn't worked well in the past for business. And so, I think organizations and businesses, it's not that, you know, they start to become more responsible, they have, but they also recognize there's different ways of doing business now. This group is different. It's more than just something you need to manage. And then a big part of that is, of course, being rights holders. What does a rights holder in that relationship look like, and what does Indigenous rights look like in relation to development?

So, I think, you know, mutual benefit, it's necessary because you know, organizations are not realizing the benefit, period. They're not realizing profit, period. There's a lot of issues with development speed, which of course influences profitability and growth and everything like that. And so, I think engaging in partnership it's like any other business. If we wanna build an economy scale and grow, and now they're recognized, we might not necessarily have the capacity. We need that support, we need that consent, we need communities in line with going in this direction.





And so, I always, whenever I have an opportunity to engage shareholders, say yes, it's very different now. And so, communities are understanding rights and are very tired of bearing all the environmental risk of development without the financial reward of that development. And so that relationship has to look different.

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It's no longer you just get investment or financial, you know, investment and then being able to develop and it's part of a process and its economy. There's a perspective there or there's important aspect in terms of engaging these people that has to be considered from that part.

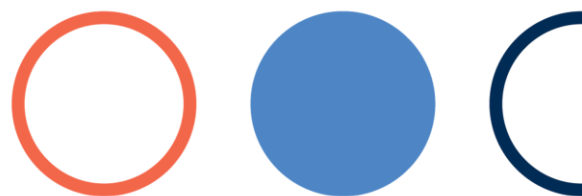
I think ESG was an easy way to think about that relationship. And it might be more difficult if organizations are moving away from it, but it was certainly an easier way to frame the opportunity within that and developing partnership.

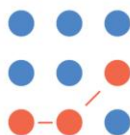
Rahul Bhardwaj (10:26): Trent, I've got a feeling you've got a perspective on this as well?

Trent Zacharias (10:29): Well, I do, and I think I'm gonna try to, I think, tie a couple of different concepts here. And one of the things I've really enjoyed in my job and working with all of the different Indigenous nations over the years is they're always very gracious about educating us and educating me on all sorts of different things.

And I'll tell you one of the things I learned really early on, and it has stuck with me, and it certainly is how we think of our relationship with Indigenous people, is they're not stakeholders. They're distinctly different than any other group that we deal with because they have constitutionally protected Aboriginal and treaty rights.

And so taking that concept, and so that's why, you know, when we look at our ESG, we have Indigenous Reconciliation stood up as its own under our ESG strategy. And that's a recognition of that very distinct set of rights and their place in the relationship that we need to have with each other.





And because of those different rights, those constitutionally protected rights, I almost think of the Indigenous Reconciliation piece as stretching across all of those. I think there's an environmental consideration and we have to be thinking about the place and respect that they have within the environmental considerations. There's some very obvious social pieces there.

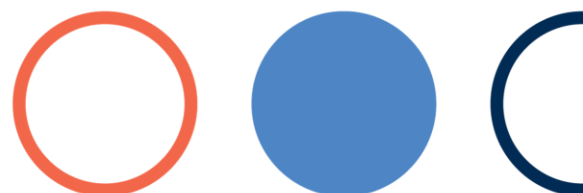
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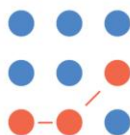
And then as John talked about too, there's the governance piece and what is their role within governance. And we're seeing more of that in the industry as a whole. As you see Indigenous people joining corporate boards across the company. Like we're seeing them embedded in the most senior levels of governance in corporations. And I think that's a really interesting shift.

Rahul Bhardwaj (12:00): It's interesting. So let's pick up that thread on corporate directors. One of our conference co-chairs at ICD for our Montreal conference, Mark Podlasly, somebody who you probably know well is Indigenous and a senior director in Canada as well. And he made a very interesting point to the group during one of the plenaries, and that is Indigenous relationships and partnerships within the construct of ESG, don't belong in the S belongs in the G. And that was a pretty big eye-opener for a lot of people in the crowd. What do you think about that?

John Desjarlais (12:34): First of all, like, you know, props to Mark saying that absolutely brilliant and very proud of the work that he's doing, but absolutely, I think when we think about ESG, we think about E and S, we think about impacts, especially as they relate to Indigenous people, right? But when we look at the G component, that's really how the organizations stood up, how it makes decisions. What does leadership look like, risk management, stakeholder engagement, compliance? And so that's where a lot of the authority and then process happens.

And so Indigenous relationships are considered and then implemented within kind of that framework, where do they show up all the time? And what are those mechanisms and what actually respects that relationship, right? What embeds them within an organization so that we consider that in terms of making decisions, how we make decisions as organizations?





I'm aligned in terms of that thinking is that's where it shows up. How do we make the decisions? Because then things both flow from there. What does our social or socioeconomic impact look like? What does sustainability look like? What does environment, but including Indigenous people in that G process and decision-making and where that authorities are, you know, through committees and through kind of any type of internal compliance or process is probably the best place where Indigenous people need to show up.

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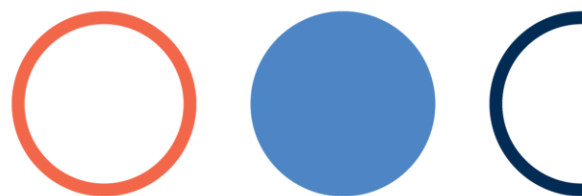
Rahul Bhardwaj (13:46): Right. And Trent, I'd love to get your thoughts on whether you're aligned with Indigenous partnerships being in the G and what are the implications to you if that's where they actually are?

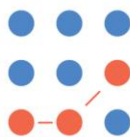
Trent Zacharias (13:56): I mean, I agree, but I'm gonna slightly disagree too if that's okay, and only because I think they actually fits across, potentially across all three. So, I'm agreeing with John and I'm agreeing with Mark that I think that there's a place within governance, and as I mentioned earlier, we're seeing a lot more of that across Canada, which is really encouraging.

I think there's probably elements of the partnership that can and should slide into the S depending what they are. And I'll give you an example of that. So, you know, one of the things Cenovus works on is we have an Indigenous housing initiative where we committed to build 200 homes and six neighboring Indigenous communities to help address a critical issue. We consider that kind of part of our ESG performance and strategy. It's clearly an S element. And then I think Indigenous people's connection to environmental issues goes without saying.

And so, I'm agreeing and disagreeing in the sense that I actually do believe there's touchpoints across each one of those.

Rahul Bhardwaj (14:50): Right. John, do you think that helps with more companies looking at it that way?





John Desjarlais (14:54): Yeah, no, absolutely. I think to clarify, not necessarily, I meant to clarify what I was meaning, I think we never really saw them show up or thought about them in G and I think that's the clarification that's being made because historically we saw it show up in E and S. But Trent's right, it shows up everywhere. It absolutely does. But I think the emphasis is now, and thinking is like how does it show up in G? And it should show up, I think, more in G, but it certainly does show up across an entire ESG framework.

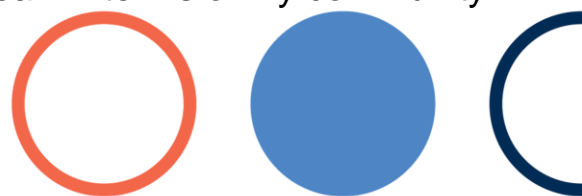
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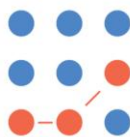
Rahul Bhardwaj (15:20): Right. So, if listeners are leaning towards saying, I understand Indigenous partnerships as being really important to the success of a business strategy, how do they demonstrate that? So, there are so many different ways to do that. And if you're not in there, how would you start, and where would you start? And John, I'll start with you and then Trent, I'm gonna come back to you because I know Cenovus has been at this for a long time.

John Desjarlais (15:45): Absolutely. I just actually had a conversation with an international colleague about this, and he talked about looking for advice, and he started with, he's like, I wanna engage with this group, I have an idea. And I was like, actually, that's a great way to do it. Why don't you engage with that group and say, "Hey, I have an idea. We have an idea. And what do you think about this?"

Communities can feel when decisions are already being made, when there's already intention, and they look very transactional. And business is, you know, a large part, transactional. But I think we don't put enough emphasis, and there's much more emphasis in the Indigenous community on the relational aspect of a partnership. So, building trust, right? And so, through that, it's like, yes, we have this idea, we would love to do this, and we want to know what your support would look like. What does your participation look like? Which, truly, I think, respects the dignity of Indigenous people and that understanding of rights, and, you know, what that looks like across these territories. It's engaging in that way.

Far too often, I've seen where it's like, we have an opportunity, look at the amount of money it's gonna make - an emphasis on that. And so, a lot of these communities are like, yeah, money is great, but what does that mean in terms of my community getting better? How's this relationship gonna work?





We want more than money. We don't want more money, we want more than money. We want a relationship, we wanna build capacity, we wanna learn from you and all these types of things.

And so, showing up is just about listening and understanding the needs of that community coming without solutions, but coming ready to kind of generate ideas, understand problems, and then come to those solutions together.

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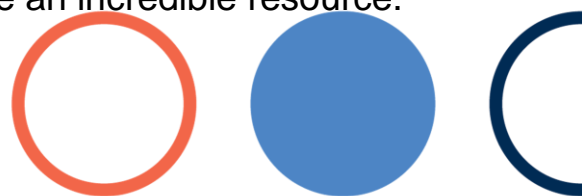
Rahul Bhardwaj (17:18): And at the risk of getting too basic here, you know, if I'm a company that's interested in exploring this area, if I pick up the phone, who am I gonna call?

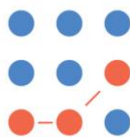
John Desjarlais (17:26): That is an absolute great question and that happens far too often. A lot of times they tell them, it's like, go through directories and just be honest and say this is what we're doing and just go through a list. This is what I wanna do, who do I wanna talk to? You know, a lot of those communities have websites now. They have community directories; they have economic development directories.

There are a lot of Indigenous consultancies that are helping to build those bridges and facilitate those relationships. So past kind of just that connection, but also helping understand those things. Those are happening a lot more, but I think it's just, yeah, like just do some searching. You know an Indigenous person, just talk and then support that relationship. Engage in a business relationship with a consultant, or just kind of go through directories and just start talking to people and being honest about what you do, and that'll be sensed, and you'll be received and received well.

Rahul Bhardwaj (18:11): And my recollection is CCAB, Canadian Council for Aboriginal Business. Great resource place.

John Desjarlais (18:17): Absolutely. CCIB - Canadian Council for Indigenous Business. I guess they re-branded. Yeah. But they're an incredible resource.





There is a lot of regional businesses, associations as well too. Indigenous business associations, throughout Canada. But yeah, CCIB is a good place to start.

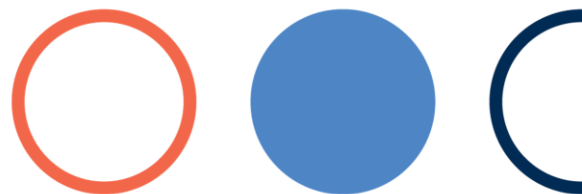
Rahul Bhardwaj (18:34): Good stuff. So, Trent, what's a good partnership look like? Page | 11

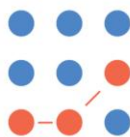
Trent Zacharias (18:39): I think a good partnership, my perspective, I mean, maybe I'm oversimplifying it, I think we sit down and Cenovus or any company for that matter, feels like you're getting some value out of the partnership and each organization is gonna have a different perspective on what value is to them. And the same could be said for the Indigenous Nation. You ask them the question, are they getting value out of the relationship?

And so, I like to think if we randomly picked some of the Nations that Cenovus works with, and you asked me what value we got out of it, you're gonna get an equal response back from the Nation that we're working with. We're looking at values fairly similar. They're getting something out of it, we're getting something out of it, it can never be one way. And I think that really has been foundational to what Cenovus has done in communities, is that each gets something out of that relationship; it cannot be one-sided.

Rahul Bhardwaj (19:29): So, we're gonna come back to the resolution in a minute, but before we do, I wanna just get the crystal ball out for a minute. And you know, we acknowledge the world is changing so quickly. We're looking at uncertainty in ways we've never seen before. We're looking at potential tariffs with one of our biggest trading partners. We're looking at AI and energy and everything taking off, and we're still minerals resource-based, a lot of intersection with Indigenous communities. Do partnerships become even more important in that environment? Maybe I'll start with you, Trent.

Trent Zacharias (20:06): Sure. Yes, absolutely. I said earlier in my comments, too, one of the things that the industry learn through the years in our partnerships with Indigenous Nations is the power of their voice, the power of their influence.





And how, when we work together towards a common purpose, we are a really, really strong group that can advance things.

When I think of some of the geopolitical forces that you talked about, I mean, you know, one of the trade-offs in the fact that Indigenous people are far more embedded in corporate considerations now; whether it's doing business together or different partnerships, that also means anything that is potential opportunity or potentially hurtful to our business is also potentially harmful and hurtful to them. So, we become even more connected together in that common purpose to address some of these issues. And that's the trade-off.

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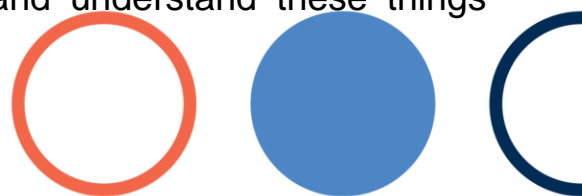
So, as we do more business together and have more partnerships, well then, the things that impact each other, impact one, impact the other far more significantly than maybe they did previously.

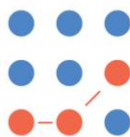
Rahul Bhardwaj (21:07): Right. John?

John Desjarlais (21:08): Yeah, no, absolutely. Just reiterating on that. And so I think we're kind of sharing capacity and sharing experience. You know, like Trent said, Indigenous communities, people and organizations are mobilizing and coordinating where there is significant influence on all sorts of things. Industry policy, public policy, key relationships, international relations, and I think we've had a lot of diplomatic missions, and we're quite well-received.

So, being able to leverage those relationships, the world is listening in terms of what the industry is doing to Indigenous people or how it's working with Indigenous people. And then Canada is being looked at quite closely in terms of what that looks like, in terms of setting a precedent or leading, or, you know, how it's managing that relationship.

And so, I think the more that you do together, the more that you understand, the more trust that's built, the more you can share that information and the more you can ride out a lot of these challenges together and understand these things together.





Trent Zacharias (22:05): If I could just add one thing to that too, just to frame how I mean, like that intricacy and that interconnectedness. So, just one example of one company, and you can magnify this. So, Cenovus has done over \$5 billion in business with Indigenous businesses since 2009. We're gonna be over \$800 million of own in 2024. So, if something occurs in that geopolitical world that impacts us, I mean, that's a lot of funding and benefits that are potentially impacted by the communities we work with.

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Rahul Bhardwaj (22:36): And you've got happy shareholders and happy partners.

Trent Zacharias (22:40): Happy shareholders and happy partners. Absolutely.

Rahul Bhardwaj (22:43): It's a great place to bring this back then gentlemen, to our resolution today. I'm gonna ask you which way you're gonna vote. I got a feeling I might know what it is, but you never know. Be it resolved that Indigenous partnerships are critical to unlocking Canada's global competitiveness. John, which way are you voting?

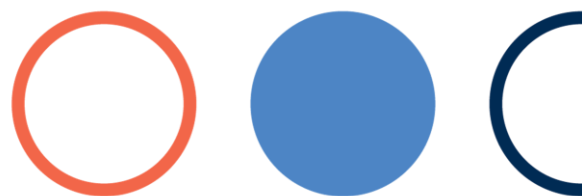
John Desjarlais (23:00): I'm in favor.

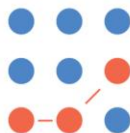
Rahul Bhardwaj (23:02): Good man. Trent?

Trent Zacharias (23:03): I'm all in 100%.

Rahul Bhardwaj (23:05): 100%. That's great. Motion passed. John, Trent, thank you so much for joining us today and really informative and I really appreciate you taking your time to share your views.

John Desjarlais (23:15): No, thank you Rahul, and always a pleasure, Trent.





Trent Zacharias (23:18): Thank you. Thanks very much.

Rahul Bhardwaj (23:20): And to our listeners, I hope you enjoyed today's episode of Be It Resolved and that you've deepened your boardroom insights to stay ahead of emerging trends.

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Now, if you enjoyed the episode, please subscribe, rate and leave a review on your favorite streaming platform. From the Institute of Corporate Directors in Canada, I'm Rahul Bhardwaj. Until next time.

