

INDIGENOUS RELATIONS ANNUAL REPORT

2016





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COMMITMENT TO INDIGENOUS PEOPLES

Civeo recognizes the right of all Indigenous Peoples to maintain their social, cultural and spiritual identities, to exercise jurisdiction over their traditional lands, and the right to pursue sustainable economic prosperity.

In view of this, Civeo is guided by a process of meaningful dialogue and consultation to achieve sustainable partnerships with Indigenous Governments or their delegates for our business activities.

Through this commitment Civeo will adhere to the highest standards of ethical business practices through open and transparent operations, with the goal of unlocking meaningful opportunities for both Civeo shareholders and Indigenous Peoples.

Civeo's commitment to Indigenous Peoples is founded upon the following fundamental principles:

1. Civeo believes in the inherent rights of all Indigenous People to remain distinct, to practice their beliefs, and acknowledges that Indigenous Peoples have equality within the broader society.
2. Civeo will purposefully inform and educate employees, suppliers, and stakeholders, to support the rights of Indigenous Peoples.
3. Civeo acknowledges the reliance of our business on the consent of and partnership with Indigenous Peoples.
4. Civeo is committed to the principles of the Canadian Council for Aboriginal Business' (CCAB), which include:
 - Develop and maintain meaningful business partnerships where revenues and profits are shared
 - Maintain fifteen percent of its Canadian workforce from Aboriginal communities
 - Create opportunities, expand capacity, and build partnerships with Aboriginal-owned businesses
 - Make sustainable and meaningful contributions to communities and programs to support education and scholarship opportunities for the next generation of Aboriginal leaders



MESSAGE FROM THE CEO



We are pleased to present our 2016 Indigenous Relations Annual Report. The past year has been an exceptional time for Civeo and our Indigenous Relations Team during which new levels of collaboration and partnering have been achieved with our many Indigenous business partners.

Civeo was honored this year with the Silver Progressive Aboriginal Relations (PAR) certification from the Canadian Council for Aboriginal Business. This certification assures our clients, contractors, and Indigenous partners that our business culture supports and pursues CCAB principles.

Civeo also added a number of new agreements with First Nations partners in Northwestern Alberta, British Columbia and the Oilsands region. These relationships help position our company and our Indigenous partners toward pursuing new opportunities for growth in Canada's oil and gas industry.

Despite a challenging economy Civeo was able to increase our year-over-year procurement spending with Indigenous companies. We have strengthened key indigenous business relationships by releasing a greater number of tenders in 2016, with a goal of continuing this trend in the years ahead.

We remain committed to maintain Indigenous employment throughout our operations, and are pleased to report that our three recent projects, Sitka, Meikle and Geetla Lodges, each exceeded 40% Indigenous hires in their workforce. On a company-wide basis, the percentage of Civeo Indigenous staff continues to grow and move us closer to our goal of 15% Indigenous staff across our entire Canadian operations.

This year also marked the first year of our sponsorship of post-secondary scholarships. In partnership with Indspire, a leading Indigenous-led education charity, we provided much-needed financial assistance in support of 11 Indigenous students across Western Canada.

Civeo is proud of our long-standing commitment to building enduring partnerships with Indigenous Nations throughout Canada. We look forward to building on this year's success through continued investment, employment and business opportunities with our Indigenous partners and the many different communities associated with our projects.

Sincerely,

A handwritten signature in blue ink that reads "Bradley". The signature is written in a cursive, flowing style.

Bradley J. Dodson
President & CEO

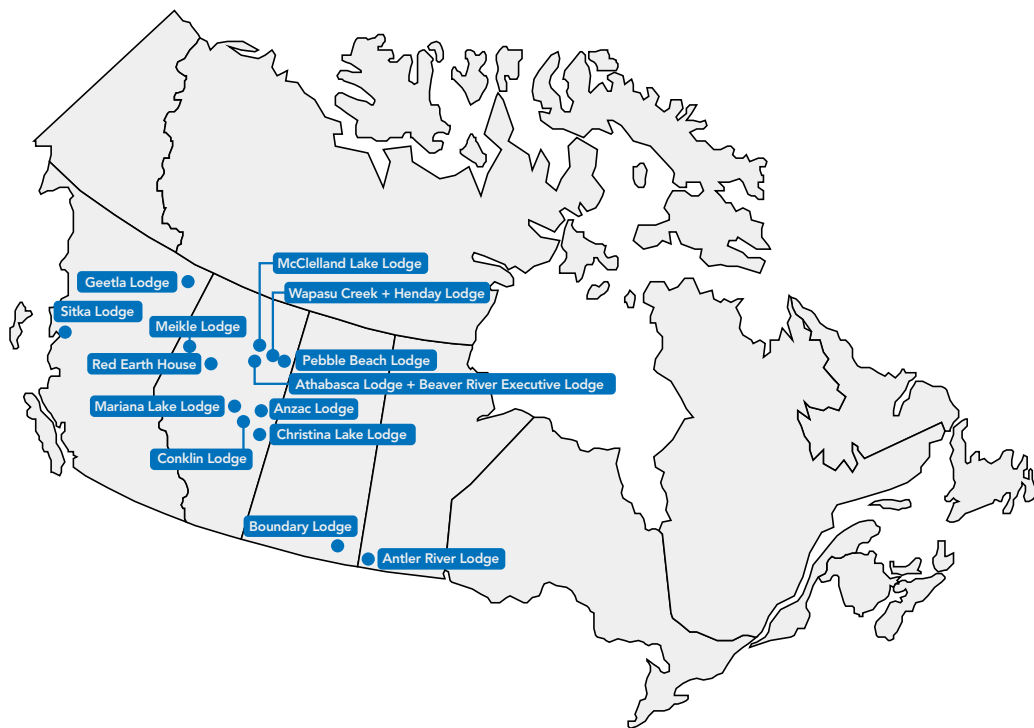
COMPANY PROFILE

CVEO
NYSE Stock Symbol

Based in Canada, Civeo is one of the world's largest and most experienced integrated providers of workforce accommodations.

Our company not only designs, engineers and builds modular accommodations, but also provides operational management, logistics, janitorial, catering and laundry services for our own facilities and other third-party clients.

Civeo currently owns and operates a total of 15 lodges in Canada, nine in Australia and three in the United States, with a total of 26,000 rooms. Compared to the traditional hospitality sector, Civeo operates more rooms than any major hotel chain in Canada and would rank as the fifth-largest hotel chain in the world for service delivery volume.



CIVEO LODGES THROUGHOUT CANADA



CIVEO CELEBRATES NATIONAL ABORIGINAL DAY

Canada's National Aboriginal Day is held annually on June 21st, in line with Summer Solstice, and is a celebration of the unique heritage and vibrant diversity of Indigenous Peoples. This past year marked the 20th annual celebration, and provided Canadians the opportunity to celebrate the important values and history we share.

On June 24th, Civeo celebrated National Aboriginal Day with a company barbeque catered by a local Indigenous business, Native Delights.

Entertainment was provided by the Prince Charles School Guitar and Fiddle group. Rueben Quinn, cultural advisor and Cree linguist from the Saddle Lake Cree Nation, supported the raising of a cultural Tipi and hosted a traditional pipe ceremony.

2016 HIGHLIGHTS

CIVEO HONORED WITH SILVER PAR CERTIFICATION

In 2016, Civeo was awarded Silver Progressive Aboriginal Relations (PAR) Certification from the Canadian Council for Aboriginal Business (CCAB).

Progressive
Aboriginal
RELATIONS

SILVER
LEVEL

Canadian Council for
Aboriginal Business 

The accompanying extensive third-party audit and evaluation of Civeo's Indigenous Relations program graded our company on four key pillars of delivery for Indigenous Peoples coordination including:

- Business Development and Supply Chain
- Employment
- Community Investment
- Community Engagement

The extensive certification process took a year to complete utilizing a cross business internal working group, which measured company practice against the PAR core principles. Following accounting of our policies and business practices, a PAR verifier interviewed staff and Indigenous stakeholders. Their findings were then reviewed by a jury of Indigenous businesspeople. While we are pleased with the results, we are fully committed to elevating this success in the years to come.



National Indigenous Leaders, Natan Obed and Grand Chief Perry Bellgarde at the 2016 Aboriginal Economic Development Corporation Conference, held in Banff. As a member of the CCAB, Civeo participates in the organization's events, maintaining key relationships and staying current with events and concerns facing the Indigenous business community.



Terry Goodtrack, President and CEO of AFOA Canada, and PAR jury member, presents the Silver PAR Certification to Civeo's Al Schoening, Senior Vice-President of Human Resources and HS&E, and Civeo's Trevor Gladue, Director, Indigenous Strategic Initiatives.



BUSINESS DEVELOPMENT AND SUPPLY CHAIN

Despite recent economic challenges being experienced by the energy industry, Civeo continued to maintain and build new working relationships with our Indigenous partners in 2016. Civeo has expanded and diversified its partnerships with several new Indigenous business partners in the Oilsands region, Northwest Alberta, and the lower interior British Columbia area.

Civeo also extended a decade-long partnership with a number of Métis locals through the re-signing of our joint venture agreements. We remain committed to building lasting partnerships with communities on traditional territories of Indigenous Peoples.

PROCUREMENT

Civeo's Indigenous Procurement Policy helps foster strong community relationships while ensuring a local and diverse supply chain of business partners. The mutual benefits achieved by this policy play an important part in our ongoing success and to the communities in which we live and work. The following are key directives of this policy:

- Improve efficiency of the supply chain;
- Reduce environmental operational impact;
- Sustain a global marketplace competitive advantage; and
- Establish sustainable economic value to the Indigenous communities in which we operate.

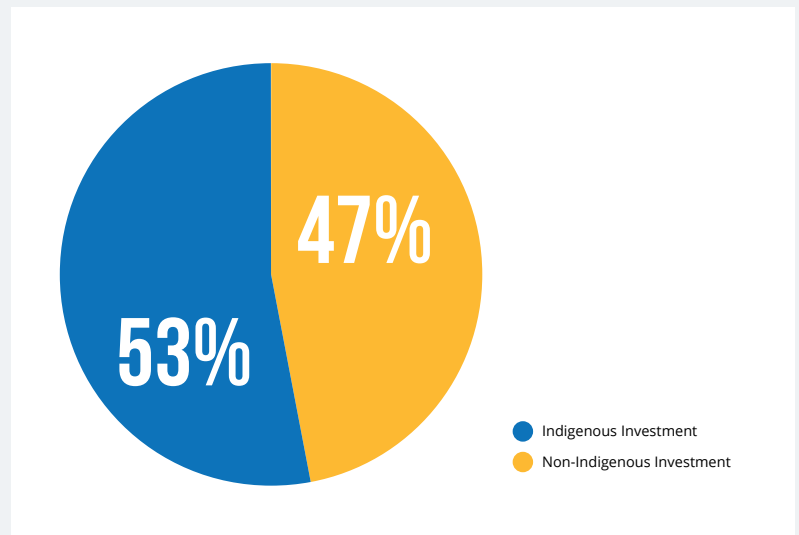
The largest categories of Indigenous operational spend that Civeo manages are the following:

- Security Services
- Snow Removal
- Water & Wastewater Hauling
- Staff Transportation
- Waste Disposal

Collectively the value of work performed within these categories totaled \$37 million. Civeo is proud to highlight that more than half of this investment has been awarded to Indigenous-owned businesses of surrounding communities.

In 2016 Civeo redefined our procurement policy to promote and foster greater Indigenous business participation in competitive tendering activities and focused on three areas to meet this objective:

- Facilitation of Indigenous participation and capital investment in Civeo projects;
- Improvement of local Indigenous representation in critical supply chain categories of operational spend; and
- Reduction of overall supply chain costs through collective buying, vendor alignment, and collaboration between Civeo and our partners within Indigenous communities.



2016 INDIGENOUS SPEND

SECURITY SERVICES

Security Services are critical to the success of Civeo's operations and paramount to the safety of our employees and our customers. Our annual spend of \$5.7 million for security services was a strong fit for many regional Indigenous business partners and we pursued a competitive tendering process early in the year, to advance this opportunity.

A Request for Proposal (RFP) was released in July 2016 for security services at six of Civeo's Alberta lodges. Civeo was pleased to award the contract for services to two Indigenous-owned businesses.

Adhering to our principles for greater Indigenous business development, the following criteria were put forth in the RFP:

- A diverse group of Indigenous businesses from Alberta, British Columbia, and the Northwest Territories were invited to participate;
- 20% of the RFP was weighted in accordance to Civeo's Indigenous Procurement Policy; and
- Preference was given to participants based on their Indigenous ownership structure, affiliations, and their ongoing investment and engagement activities within Indigenous communities.

PROCUREMENT HIGHLIGHTS

- Spend with Indigenous businesses represented 8% of total annual spend for Canadian operations, for an increase of 2% since 2015. The full value of the Security Services RFP was awarded to 100% Indigenous owned businesses.
- Civeo processed approximately 5,000 transactions with Indigenous businesses for the procurement of goods and services.

\$5.7M

Annual Security
Services Investment

8%

Total Annual Spend with
Indigenous Businesses for
Canadian Operations

5,000

Transactions with
Indigenous Businesses

EMPLOYMENT

For many years, Civeo has recognized the value of workforce diversity and the critical importance of Indigenous recruitment. For the past 10 years, through partnerships with Indigenous communities, schools, universities, government and non-government organizations, we have recruited and trained a new generation of workforce and corporate leadership.

In 2015, Civeo defined a three-year plan to expand our Indigenous workforce from its then level of 8.93% to 15 percent. In 2016, progress was made with company-wide Indigenous employment rising to 10% with particularly notable gains in our three newest facilities: Sitka Lodge (43%), Meikle (49%), and Geetla Lodge (57%). This is particularly noteworthy given the broader employment declines across our company.

TRAINING

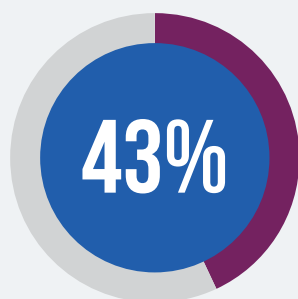
Civeo hosted three training programs in 2016. These training programs focused on a range of culinary skills, while introducing participants to work opportunities in the workforce accommodation industry.

The following Indigenous Nations participated in this program:

- Lax Kw'alaams – 6 participants
- Gitxaala Nation – 14 participants
- Saddle Lake/McClelland Lake – 4 participants

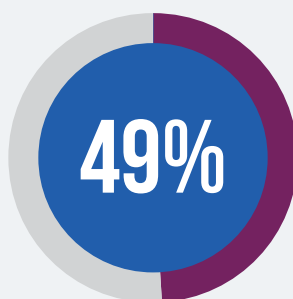


Student trains under Dennis Lowen, Civeo's Senior Executive Chef



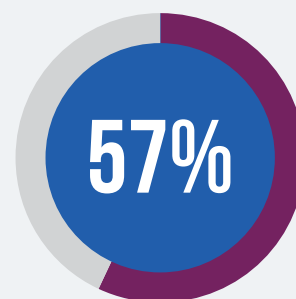
Sitka

Indigenous employment



Meikle

Indigenous employment



Geetla

Indigenous employment

RECRUITMENT

Civeo's dedicated Indigenous Employment Strategies Manager is focused on the implementation of our Indigenous Employment and recruitment policy. To support this policy, we have established Employment Hubs directly in the communities where the highest levels of workforce accommodation hiring occurs. We are firm believers that our recruitment success rests upon Civeo's local presence and commitment to direct community interaction.

Civeo has also built relationships with federal government ASET policy holders (Association for Special Education Technology), schools, universities, and provincial government training programs to ensure trained individuals are taking full advantage of their training and education. Our company works closely with the HR managers of local Indigenous communities neighboring Civeo projects to identify training and employment opportunities, in addition to frequent participation in local and national Indigenous recruitment and community job fairs.

RETENTION

Proactive cultural advocacy augments Civeo's high retention rate among Indigenous employees. Civeo retention policies include:

1. Enhance awareness on advancement opportunities with a focus of corporate and salaried positions;
2. Increase Indigenous awareness initiatives with all employees;
3. Promote cultural understanding through cultural rooms, Tipis and Indigenous employee committees at our facilities.

WHERE OUR EMPLOYEES COME FROM

- Alexis Nakota Sioux First Nation
- Dene Tha First Nation
- Montana Band
- Athabasca Chipewyan First Nation
- Driftpile First Nation
- Montreal Lake Band
- Big River First Nation
- East Prairie Métis Settlement
- Mount Currie Lilwat
- Bigstone Cree Nation
- Ermineskin First Nation
- Ochapowace
- Birch Narrows (Dene) First Nation
- Fishing Lake First Nation
- Onion Lake Cree Nation
- Blood Tribe/ Kainai
- Flying Dust First Nation
- Peguis First Nation
- Saddle Lake Cree Nation
- Buffalo River Dene Nation
- Kehewin Cree Nation
- Sturgeon Lake Cree Nation
- Burnt Church First Nation
- Kitsumkalum Band
- Sunchild First Nation
- Canoe Lake Cree First Nation
- Louis Bull Tribe
- Waterhen Lake First Nation
- Little Pine
- Makwa Sahgaiehcan First Nation
- Whitefish Lake First Nation
- Haisla First Nation
- Buffalo Lake Métis Settlement
- Buffalo Narrows
- Homalco

COMMUNITY INVESTMENT

Because many of Civeo's facilities are close to Indigenous communities, we focus a large part of our community investment on projects important to our Indigenous partners and neighbours. We work closely with local partners to identify the unique needs of each community and the best ways to make a positive and lasting impact.



Left to right: Michelle Simonson, member of Saulteau FN; Krista Laboucane, Manager Indigenous Employment Strategies Civeo; John Babichuk, Director Supply Chain Civeo; Carson Engle, Manager Operations Civeo; Ray Burke Sr. Executive Chef Civeo

Civeo's community investment program is centered on three initiatives, each focused on different ways to bring people together to build a lasting community legacy:

- **Building Communities Fund** - Focuses on supporting initiatives and programs related to education and youth development programs.
- **Building Brighter Futures** - In coordination with Indspire, a leading Indigenous-led charity, Civeo's Indigenous Scholarship Program will provide 10 scholarships annually to Indigenous high school students pursuing post-secondary education.
- **Building Business** - A commitment to Indigenous-owned businesses to help introduce opportunities for Indigenous people and their companies to foster new business partnerships.

PARTNERSHIPS

In 2015-16, Indspire awarded over \$12.2 million through 3,792 scholarships and bursaries to Indigenous students across Canada. Through the Building Brighter Futures initiative, 11 Indigenous students from Western Canada in a variety of disciplines were awarded a total of \$15,000 in scholarships from Civeo.



Krista Laboucane (center), Civeo's Manager of Indigenous Employment Strategies, received a Community Involvement Award from the Institute for Advancement of Aboriginal Women at the annual Esquao Awards in April.

“

As an Indigenous student, I have faced significant barriers to success. However with the help and support of generous donors like Civeo, those barriers are minimized and they simply become obstacles that can be overcome.

– Danielle Bird (University of Saskatchewan student)

”

CIVEO IMPROVES INCLUSION WITH HELP FROM INDIGENOUS WORKS

In 2016 Civeo partnered with Indigenous Works, a national non-profit organization dedicated to helping companies and organizations strengthen their Indigenous employment, workplace engagement and inclusion.

At Civeo's request, Indigenous Works performed a Workplace Inclusion System Diagnostic, a 150 data-point assessment which collected employee feedback from across the company on: leadership, procurement, human resources, corporate social responsibility and communications. The results of this diagnostic led to the following recommendations to further enhance our Indigenous activities:

- Expand communication from Civeo leadership regarding Indigenous inclusion;
- Bolster Indigenous workforce through workforce training investments;
- Implement additional measures to encourage and support Indigenous inclusion across the business practice;
- Establish reporting metrics for success; and
- Expand inclusion management training.

Civeo has implemented these proposals, all of which have refined and strengthened our workplace inclusion strategy, and elevated Indigenous inclusion as standard corporate practice.



IMPROVE COMMUNICATION



WORKFORCE TRAINING



INDIGENOUS INCLUSION



REPORTING METRICS



INCLUSION TRAINING

EMPLOYEE SPOTLIGHT

INDIGENOUS LEADERSHIP WITHIN



Civeo Senior Executive Chef Ray Burke has spent more than 35 years in the food service industry, and brings a very philosophical approach to food. “I love to eat, and I love to express myself through cooking,” he says. “There is a satisfaction that comes from nourishing people.”

The son of an Armed Forces Member, Ray grew up throughout Western Canada, living in places ranging from British Columbia to Manitoba. His mother was Métis, with Cree, Piegan, and French heritage and his father was Scottish (via Spain).

Ray began cooking in 1980, helping out in his family's restaurant. In high school, his interest in cooking led him to pursue a career in the industry, and after graduation he worked to earn his Red Seal chef certification from Vancouver Vocational College. Ray spent the next 20 years honing his skills at hotels, restaurants, and government facilities across Canada. Ray joined Civeo in 2010 as the company's Senior Executive Chef.

Ray's duties as Senior Executive Chef run the gamut from special corporate and client events to overseeing food services and operations at a number of Civeo's lodges. He is also responsible for menu development, staff training, developing bids for customized food-service solutions, and oversight of food service finances.

Ray has been happily married for 25 years and makes his home in Sylvan Lake.

CIVEO SALUTE TO FIREFIGHTERS APPRECIATION DINNER



Lego fire models were presented to Fort McKay Métis Local President Ron Quintal (center) and members of the Fort McKay Fire Department at the Firefighters Appreciation Dinner. Also on hand (not pictured) from Civeo were Brenda Blyan, Manager of Indigenous Procurement Strategies and Krista Laboucane, Manager Indigenous Employment Strategies.

In May, 2016 one of the largest forest fires in Alberta history destroyed portions of the town of Fort McMurray and threatened the hamlet of Fort McKay and many rural workcamps, including Civeo facilities. Civeo helped evacuees with shelter, food, medical assistance, and housed First Responders and the Royal Canadian Mounted Police (RCMP) during the first terrifying days.

Civeo held an appreciation dinner to recognize and honour some of the brave men and women who fought what became known as “The Beast.”

At the dinner, the Fort McKay Fire Department was recognized for its role in battling and containing the fire that raged across the region. Fort McKay’s Fire Chief, Mel Grandjambe, shared photos and harrowing stories of the first hours into the blaze. He also introduced his fire squad of 10 members, and while some may be young in age, all have given many years of dedicated service as volunteer and professional firefighters.

Civeo also recognized the leadership and bravery of one of our Indigenous partners, Ron Quintal, Buffalo Métis Catering Director, President of the Fort McKay Métis Local, and Deputy Fire Chief of the Fort McKay Fire Department. He and his brigade fought “The Beast” for several days. Civeo is proud to salute their bravery and service.





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civeo.com

Stay Well. Work Well.