

**Mining Association of Canada
Towards Sustainable Mining**

Summary Report

**15th Meeting of the
Community of Interest Advisory Panel**

**March 9, 2011
Toronto, Ontario**



**Towards Sustainable Mining
Vers le développement minier durable**

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Introduction

This report presents a summary of discussions from the March 9, 2011 meeting of the TSM Community of Interest (COI) Advisory Panel ("the Panel"), including decisions on the work of the Panel and recommendations to the Mining Association of Canada (MAC). Any dissenting views have been identified and recorded.

Summary of Action Items

Below is a summary of action items arising from the meeting. New action items are underlined throughout the report.

NEW ACTION ITEMS					
#	ITEM	LINK TO REPORT	RESPONSIBLE	TIMELINE	STATUS
#1- March- 11	MAC / Stratos to review and revise the post-verification guidance document to ensure a greater emphasis of companies on the successes and challenges of TSM (moving beyond a focus on TSM results).	Section 1	MAC / Stratos	May 31, 2011	
#2- March- 11	MAC to gather and systematically document feedback on TSM to inform a COI Panel discussion on the value proposition of TSM.	Section 1	MAC	In time to support discussion	
#3- March- 11	MAC to forward Ornge information item from Richard Briggs to Chris Hodgson, President of the Ontario Mining Association.	Section 1	MAC	ASAP	
#4- March- 11	Ginger Gibson will keep COI Panel members apprised of when IBA Community Toolkit training sessions are being offered in certain regions.	Section 1	G. Gibson	Ongoing	
#5- March- 11	Julie Gelfand to ask Initiative Leader's about presenting preliminary data on new protocols to the COI Panel.	Section 2	J. Gelfand	April 19, 2011	
#6- March- 11	MAC to provide an update on how MAC membership changes once annually.	Section 2	J. Gelfand	Annual presentation	
#7- March- 11	MAC to provide a list of all member companies with the following information included: <ul style="list-style-type: none"> - Name of company; - Where the company operates; - Where the company is in the TSM process; and - Type(s) of commodities mined. 	Section 2	MAC	May 31, 2011	
#8- March- 11	MAC to circulate details on International Mine Closure Conference to the COI Panel.	Section 2	MAC	ASAP	
#9- March- 11	MAC to circulate the National Round Table on the Environment and Economy (NRTEE) report on water and mining to the COI Panel.	Section 2	MAC	ASAP	
#10- March- 11	COI Panel members to provide written comments on the draft mine closure protocol to MAC.	Section 3	Panel members	By April 22, 2011	

NEW ACTION ITEMS					
#	ITEM	LINK TO REPORT	RESPONSIBLE	TIMELINE	STATUS
#11-March-11	MAC to look into options for sharing all feedback received on the draft mine closure protocol.	Section 3	MAC	April 30, 2011	
#12-March-11	Stratos to touch base with the longest term individuals about their intentions to continue with the COI Panel (as per Recommendation 1, Panel Renewal).	Section 5	Stratos	May 31, 2011	
#13-March-11	Stratos to convene an approach to sharing names and bios to develop a roster of new candidates (in support of Recommendation 3, Panel Renewal).	Section 5	Stratos	April 30, 2011	
#14-March-11	Stratos to circulate revised Panel Renewal Working Group recommendations.	Section 5	Stratos	April 30, 2011	
#15-March-11	COI Panel members to put forward the names and bios of 2-3 candidates.	Section 5	Panel members	June 10, 2011	
#16-March-11	MAC and Stratos to continue to adapt the methods and mechanisms for seeking feedback from the COI Panel.	Section 9	MAC / Stratos	May 31, 2011	
#17-March-11	COI Panel members to provide feedback to Stratos on their preferences for mine tour options at the September 2011 meeting.	Section 9	Panel members	ASAP	
#18-March-11	Confirm next meeting of the Panel. (Tentatively set for Sept. 20, 2011 in Calgary, with the possibility of a mine tour on Sept. 21, 2011.)	Section 9	J. Gelfand	ASAP	

Welcome and Approval of September 2010 Panel Meeting Report

The Panel facilitator welcomed COI Panel members to the 15th Panel meeting. Chris Fordham, Senior Sustainability Strategy Specialist of Suncor Energy Inc., participated as an alternate for Anne Marie Toutant. Due to unforeseen circumstances, two Panel members declined to participate in the meeting in the week leading up to the March 9, 2011 meeting (Christy Marinig and Roger Augustine).

Panel members approved the September 2010 meeting report without additional amendments.

1 Information Items

Three information items were presented by three different Panel members.

Survey of Companies Participating in TSM

Brenda Kelley suggested that at this stage in the implementation of TSM, it might be valuable to seek feedback from companies participating in TSM. A survey could serve as a mechanism for companies to provide honest and anonymous feedback that they might not otherwise feel comfortable providing. The purpose of the survey would be to assess the impact, effectiveness and value of TSM and identify inefficiencies and challenges that companies are experiencing. The survey could be short (5-6 questions) and might include questions such as "How could the reporting process be adjusted so that it is easier or more efficient for your facility?"

MAC and industry representatives of the COI Panel noted that this type of information is already gathered in a few different ways:

- Company concerns are directed to MAC through the Governance Team (GT) and Initiative Leaders (ILs). Example issues that have been raised include: the value proposition of TSM, initiative overload, audit fatigue and community knowledge of TSM scores.
- TSM results, challenges and suggestions are presented to the COI Panel during company post-verification reviews.

Agreement was not reached on whether it would be valuable to conduct a survey. One participant thought that different kinds of information would emerge through the conduct of survey. Another participant thought that it might be difficult to address the depth of some issues through a survey. Further, concern was raised that a survey might contribute to the feeling of "initiative fatigue".

The following suggestions were made:

- MAC / Stratos could review the post-verification guidance materials to ensure a greater emphasis of companies on the successes and challenges of TSM (moving beyond a focus on TSM results).
- MAC could gather and systematically document feedback on TSM to inform a COI Panel discussion on the value proposition of TSM (i.e., a prolonged and more focused discussion on this issue). The COI Panel could then develop some recommendations. In support of this agenda item MAC could:
 - Host an IL meeting to gather company feedback on the successes and challenges of TSM.
 - Prepare some case studies that look at specific examples of where and how TSM is working in some communities.

Ornge Transport Medicine

On behalf of Richard Briggs (who was not present at the meeting), the Panel facilitator asked for feedback on Richard's written information item on Ornge, Canada's leading innovator in the emerging field of transport medicine. Ornge operates from a number of bases across the province of Ontario and performs approximately 20,000 admissions annually. Ornge is seeking financial support for its Foundation primarily to purchase new medical equipment for its aircrafts, but also to improve patient care, foster technological innovation, and undertake research and development. In addition, because Ornge transports sick and/or injured workers from mines in Northern Ontario, it would also like to develop partnerships or relationships with mining companies which could lead to First Aid, CPR, or First Responder training for their employees. The industry representatives of the COI Panel provided the following responses:

- Funding requests, such as these, are typically channelled through company community investment processes.
- As this information largely concerns Ontario facilities, MAC will pass on this information item to Chris Hodgson, President of the Ontario Mining Association.

Impact and Benefit Agreement (IBA) Community Toolkit

As a follow-up to her presentation on the IBA Community Toolkit at the September 2010 meeting, Ginger Gibson informed the Panel that training workshops on the Toolkit (1-3 days in length) will be offered to communities. Delivery of the training sessions will begin in Alberta and Ontario, with the financial support of some foundations and associations. Ginger will keep COI Panel members apprised of when these training sessions are being offered in certain regions.

2 TSM Implementation

Julie Gelfand provided the following TSM update:

New protocols: Three new TSM protocols were approved by the MAC Board in November 2010 (Safety and Health, Aboriginal and Community Outreach, and Biodiversity Conservation Management). Companies are currently collecting data for these protocols on a trial basis. These will not be reported on publically in 2011, but will support discussions on lessons learned. The Panel asked the following questions:

- Would it be possible to see the preliminary results of these protocols? Julie Gelfand agreed to ask Initiative Leader's about presenting preliminary data on these protocols to the COI Panel.
- Who are the new MAC Members? Agnico-Eagle, Newmont and Capstone are new members in the early stages of reporting. De Beers and Cameco are in their first year of public reporting (2011). MAC will provide an update on how MAC membership changes once annually.
- One Panel member also requested that MAC provide a list of all member companies with the following information included:
 - Name of company;
 - Where the company operates;
 - Where the company is in the TSM process; and
 - Type(s) of commodities mined.

Mine Closure: The Mine Closure Working Group has completed draft language on four mine closure indicators (Planning for Closure; Progressive Reclamation; Engaging with Communities; and Closure and Post-Closure). This document was circulated to the COI Panel in the meeting briefing materials. MAC is now seeking input and comments from the COI Panel, the Governance Team and companies. MAC is aiming to approve the protocol in June at the MAC Board meeting and launch the protocol in September at International Mine Closure Conference (September 18-20). As this conference will coincide with the next COI Panel meeting there was interest amongst panel members in the conference, and MAC agreed to circulate details on International Mine Closure Conference to the COI Panel. The Panel asked the following question:

- *How many mines close in a year? In a given year, 1-2 facilities across the MAC membership might close.*

Water and Mining: The Initiative Leaders took a decision to form a water and mining working group. The first step of the working group will be to develop a water and mining framework document, before drafting a protocol. Following a brief discussion, one Panel member suggested that MAC circulate the National Round Table on the Environment and Economy (NRTEE) report on water and mining to the COI Panel.

Integration and Equivalency: At last COI Panel meeting, MAC reported that a large number of standards are being used by companies. MAC compared the top three standards used by companies (ISO 14001, the Global Reporting Initiative and OHSAS 18001) with TSM to identify overlap. The analysis concluded that little overlap exists, so the Initiative leaders are interested in looking at opportunities for equivalency.

CSR Standards: At the September 2010 meeting, the COI Panel suggested that MAC report on which standards international standards companies are using. The Governance Team approved this recommendation and MAC has developed a draft template, noting some considerations that still need to be resolved. The working idea is that this table could be published through a web-based platform.

TSM Application Update: The Mining Association of British Columbia (MABC) approved the application of TSM within their membership. MAC has also heard through one of its members that the Nunavut Tunngavik Inc. has indicated that they expect mining companies to achieve Level A (3) in order to achieve their permits to operate in Nunavut. The Panel asked the following question:

- *Are other provincial associations considering applying TSM?*
 - A representative of the Mining Association of Manitoba participated in a recent TSM training session.
 - The Quebec Mining Association is working with the Quebec government on developing a sustainability initiative.

External Verification: The following companies will verify their 2010 results in 2011:

- ArcelorMittal
- Barrick
- DeBeers **Undergoing post-verification review at September 2011 Panel meeting*
- Diavik
- Rio Tinto IOC **Undergoing post-verification review at September 2011 Panel meeting*
- Suncor
- Syncrude
- Xstrata Copper
- Xstrata Nickel
- Xstrata Zinc

TSM Training: Three TSM training sessions have been delivered to companies so far in 2011. TSM training will be provided to Teck in Chile in May. TSM on-line training will be launched in 2011 for companies and verification service providers. The on-line training provides an introduction to TSM, covers how to apply protocols and includes a 30-45 minute module for each TSM protocol. At the end of the meeting Julie Gelfand gave a brief demonstration of the on-line modules developed to date.

3 TSM Protocols under Development

Under TSM Implementation, Julie Gelfand provided an overview and update on MAC's activities to develop a mine closure protocol and water and mining protocol. Panel members were given the opportunity to ask questions and provide input on the draft mine closure protocol in a roundtable discussion. A summary of the input is provided below. COI Panel members can provide written comments on the draft mine closure protocol to MAC up to April 22, 2011. Panel members expressed interest in seeing all of the comments provided by others on the draft protocol. MAC agreed to look into options for sharing all feedback received on the draft mine closure protocol.

Several participants noted that their comments were based on a quick review of the proposed mine closure indicators and that they plan to undertake a more comprehensive review in the

future. One participant noted that MAC is on the right track. Panel members provided comments on four key areas: financial assurance, community economic development, community outreach and the role of government.

In response to draft language on financial assurance, the following questions / comments were raised / provided:

- *How will companies communicate regulatory requirements to COI?* MAC suggested that communicating regulatory requirements could occur through a variety of mechanisms (e.g., annual report, community meeting, regulatory reports, etc.) and that the Working Group could develop an FAQ to illustrate sample types of communication mechanisms.
- *Should communication occur to other stakeholders in addition to COI?* MAC will raise this question with the Working Group.
- *At what level will financial assurance be reported?* Financial assurance would likely be reported at the company level. Further thought will need to be given to reporting at the facility level.
- *What if companies have corporate policies that extend beyond regulatory requirements? Should these policies be reported also?* MAC will raise this question with the Working Group.
- It was suggested that the mining industry does not have the greatest track record for dealing with financial assurance effectively, so making regulatory requirements the focus of this topic (when no other TSM protocols do so) may not be suitable. It might be useful to have companies make some kind of a statement around their objectives or outcomes related to financial assurance, such as "Our policy and approaches will achieve...".

One Panel member noted that mines change communities (both positively and negatively), but that progressive companies should explore ways to partner with communities to create opportunities for positive change (particularly through economic development). The non-industry representatives noted that the challenge in including these kinds of interests in the mine closure protocol stems back to the uniqueness of individual operations (e.g., legacy planning for socio-economic issues is very important in some communities, but in other cases, there may not be a physical community within the vicinity of a mine.) Another participant noted that even in the absence of a physical community, impacts occur in someone's "back yard". These unique circumstances point to whether a facility should be concerned with environmental and/or social issues, but do not imply that every facility will be dealing with the same kinds of issues.

One Panel member noted that community outreach seems like a fundamental component of each of the proposed mine closure indicators. It was noted that the draft protocol does not include provisions for bridging western and indigenous science to reclaim a site. Little is known about non-technical aspects of reclamation (i.e., what it means to reclaim a site emotionally, psychologically). As a result of some mining activities there are some parts of the landscape (e.g., in Alberta) where Aboriginal peoples will not be able to practice some of their rights. Another Panel member noted that it can be a challenge explaining to elders what impacts will mean. These impacts can be thought of as a scar – the land will never be the same.

One Panel member raised a question about the role of government in mine closure, given that the draft protocol largely deals with the interface between companies and communities. A few Panel members thought that it would be helpful to have government ear-mark some of its revenue from mining companies for legacy issues. Another panel member suggested that regional governments may have capacity issues in handling monies (e.g., outside of Canada).

Non-industry representatives noted that mine closure is a complex subject and that one of the remaining challenges in finalizing the protocol is in identifying precise language that can still be applied to a number of unique circumstances. In addition, the protocol needs to be specific enough that companies can measure progress, while still accounting for the fact that some aspects of mine closure extend beyond company control.

COI Panel members provided the following recommendations:

- *The Policy Framework in Canada for Mine Closure and Management of Long-Term Liabilities: A Guidance Document* (NOAMI, 2010) outlines several key points that illustrate gaps in mine closure. MAC should ensure that the new protocol addresses gaps.
- MAC should consider the use of case studies to explore what the draft mine closure protocol means right now for a few different facilities. This could help MAC to consider the uniqueness of mine closure and its relation to other MAC protocols (e.g., biodiversity, water, etc.).
- Given the complexity of this topic, it might be appropriate to convene a full day workshop to explore these issues in more depth.

4 Reporting

The Panel facilitator introduced the topic of reporting and noted that the purpose of this agenda item is to review the function of and approach to a variety of different reporting mechanisms to identify ways to make these reports more impactful and valuable. Panel members were given the opportunity to provide input on different reporting mechanisms in a roundtable discussion concerning:

1. **COI Panel Outputs:** Meeting Reports and Post-Verification Review Reports;
2. **MAC TSM Reports:** *TSM Progress Report* (and its link to the COI Panel statement), *Greenhouse Gas Emissions and Energy Management Progress Report* and *Total Releases by Company and Substance*; and
3. **Company CSR Reports.**

A summary of the input is provided below.

COI Panel Outputs

- **COI Panel Meeting:** Reports are thought to be informative and Panel members think the detailed notes are necessary so that they can report back to their communities, constituencies or groups. Some members think that an executive summary could help with communicating back to groups. One member does not want an executive summary.
- **Post-Verification Review Reports:** One participant thinks that this report may not add value to readers. One participant thinks these reports are interesting, but they beg other questions (broader than TSM). The conduct of post-verification reviews could place a greater emphasis on integrated ideas, moving beyond individual company results.
- **Panel Communications:** Several Panel members think a greater focus on Panel outreach to communities and groups is needed. In particular, the Panel could play a role in communicating its value as a Panel to TSM. In addition, it can be difficult to report back to communities on TSM because the meeting reports are in English (rather than in French or Aboriginal languages). Participants don't see a need to translate meeting reports into different languages, but thought that it would be helpful to translate the TSM Primer into some Aboriginal languages.

- **Company Communications:** Some Panel members noted that there is little or no communication to communities (from companies) about TSM in some regions of Canada (e.g., in Quebec, Alberta and in the north). Some non-industry Panel members suggested that some companies may be reluctant to discuss TSM because they have low scores or because TSM is focused on internal processes which are disconnected from how communities understand the mining industry. MAC noted that the MAC Board has asked companies to increase their communications on TSM and that the Board will be approving a MAC rebrand and communications plan in 2011. Industry representatives of the Panel noted that company business units located in Canada may not have influence on company reporting activities, employees and companies may not understand the value proposition of TSM and that it can take time for an industry to communicate on its initiatives.
- **Regulator Involvement:** One participant noted the absence of government involvement in the dialogue on TSM and industry performance. The Mining Sector Sustainability Table previously filled this role, and there are currently no forums for these discussions.

MAC TSM Reports

MAC provided a brief introduction by noting that it is moving toward a TSM Progress Report that is smaller and directs readers to the website for more detail. The GHG and total releases reports were initially prepared to get the industry regulatory ready and to be transparent, but MAC is not sure who is reading these reports and whether they are creating value. Panel members provided the following feedback and commented on the link to Panel statement drafting process.

- **TSM Progress Report:** One Panel member commented that producing a shorter TSM Progress Report and driving readers to the website are both good ideas. MAC may need to consider the website's accessibility over time.
- **GHG and Total Releases Reports:** A few Panel members suggested that MAC should continue its reporting on GHG emissions, energy use and total releases even if regulation is not imminent. These topics are considered emerging issues that MAC should keep an eye on. One Panel member noted support for the approach of producing these reports as briefing notes that accompany the TSM report, rather than as standalone reports.
- **Panel Statement:** Panel members see the Panel statement as a key function of the Panel. One Panel member suggested that crafting messages for the Panel statement should be a standing agenda item that addresses: How did the industry do this year, what are the key challenges for the industry moving forward? Panel members provided suggestions on how to improve the process of composing and finalizing the Panel statement:
 - The Panel does not want to be constrained by space limitations in the TSM Progress Report and does not want the statement to be heavily edited by MAC.
 - The Panel believes that the TSM Progress Report is still the most suitable location for the Panel statement.
 - The Panel would like to ensure that the full Panel provides input into the statement messages each year, but that a small group can then hold the pen. The entire Panel will be able to review and approve the drafted Panel statement.
 - The Panel statement messages should be coming from the non-industry representatives.
 - In order to provide TSM results in time for the COI Panel to review and comment on progress, it may be necessary decouple the composition of the Panel statement to treat TSM and non-TSM issues separately.

Company CSR Reports

One Panel member responded to a question posed by the MAC Board: *What resonates with the COI Panel when they read a CSR report?*

From the investment community perspective, the most informative type of communication is a corporate social responsibility report. CSR reports are typically viewed more favorably if they include some form of stakeholder input and if they are structured holistically (i.e., so that company annual reports and CSR reports are merged or integrated). It is helpful to use a consistent approach to reporting, such that CSR reports are modeled on annual or financial reports, and include the following three key elements:

- An equivalent to an **income statement** that accounts for both measurable and intangible aspects of CSR (i.e., how these aspects affect the company and how they are managing these aspects); and
- A **balance sheet** that reports on how the company is doing against the categories or elements of Environment, Social and Governance (ESG) risk; and
- A **cash flow statement** that identifies all stakeholders and explains how the company accounts for their perspectives.

Additional practices that are considered favorable include:

- Convening permanent stakeholder panels that provide recommendations directly to the CEO;
- Hosting quarterly conference calls with the investment community on CSR performance and results; and
- As Board of Directors turn over, ensuring that one new member on the Board has a CSR background.

5 Panel Renewal

The Panel renewal working group (Larry Haber, Ginger Gibson and Doug Horswill) met early in 2011 and crafted five recommendations for Panel renewal in 2011. The recommendations with associated COI Panel feedback are listed below. The Panel adopted all of the recommendations except Recommendation 2, which will be deleted in the next version of the recommendations.

Recommendation 1: *Stratos be tasked with talking with the longest term individuals, sitting as either individuals or representatives. The goal is to identify what turnover might happen in the coming years.*

- No COI Panel feedback.

Recommendation 2: *The Subcommittee also recommends that individuals sitting from organizations consider an internal policy for how long an individual should sit on the COI Panel. This can be discussed at the meeting, as we do not wish to recommend policy for these groups.*

- The intention of this recommendation is to deal with meeting attendance.
- Brenda Kelley noted that the Canadian Environmental Network does not have a policy on length of term.
- The Panel agreed to delete this recommendation.

Recommendation 3: *A roster of people recommended by members of the Panel should be struck. They will then be vetted through the group, and the COI Panel will decide who to invite. A list of candidates should be created and brought to the next meeting for consideration. A*

consideration for identifying new individuals could be that the nominee replaces the person who nominated them.

- The mode of operation of the COI Panel in the future (and focus on certain topics) may influence the type of new members that should be recruited to the Panel.

Recommendation 4: *If anyone misses two meetings in a row, then Stratos should touch base with the organization or individual to verify interest. If a third meeting is missed, then the individual may be asked to step down.*

- No COI Panel feedback.

Recommendation 5: *Rather than evaluate an individual based on how long they are on the panel (i.e., implementing a maximum term for an individual of years), a review should be based on performance. Performance can be related to attendance and contribution (i.e., participation in subcommittees, participation in meetings, or others).*

- The intention of this recommendation is to deal with meeting attendance and organizational capacity, not to seek replacement of long-standing members.
- This issue will need to be handled delicately and informally, and is linked to Recommendation 4.

Additional comments noted in relation to Panel renewal include:

- Mentorship is considered an important part of the renewal process.
- Some organizations may have capacity issues that should be considered in Panel renewal. A recommendation was made to consider both a political and relevant staff appointment for organizations that have more than one member represented on the Panel and that may experience capacity issues.
- It was agreed that both in-person and phone participation count as "meeting attendance". Providing an alternate does not count as "meeting attendance" because alternates are unable to provide the continuity that is needed on the Panel.
- Recommendations dealing with meeting attendance apply to both non-industry and industry representatives of the Panel.

The following next steps were identified:

- Stratos will touch base with the longest term individuals about their intentions to continue with the COI Panel (as per Recommendation 1).
- Stratos will convene an approach to sharing names and bios to develop a roster of new candidates (in support of Recommendation 3).
- The Working Group will revise its recommendations, provide suggestions on what gaps currently exist on the Panel and provide guidance to COI Panel members on how to put names forward.
- COI Panel members will put forward the names and bios of 2-3 vetted candidates.

6 International Standards Applicable to the Mining Industry

External Presentations

At the September 2010 meeting, the COI Panel had a substantial discussion on the potential application of TSM to facilities operating outside of Canada. Throughout this discussion, a number of other related themes emerged (e.g., the application of other international standards, reporting and audit fatigue experienced by companies and facilities, and performance of the mining sector in

different jurisdictions). It was agreed that looking at the potential application of TSM internationally was a complex subject and that the Panel might benefit from an information sharing session with external presenters that could shed light on corporate social responsibility (CSR) performance in international contexts. Two guests attended the COI Panel meeting and presented information on federal government activities on CSR in the extractive sector and their individual roles in relation to Canada's CSR Strategy, *Building the Canadian Advantage: a CSR Strategy for the Canadian International Extractive Sector*.

The CSR Strategy includes four main pillars:

1. Support for host country resource governance capacity-building initiatives;
2. Endorsement and promotion of widely-recognized international CSR performance guidelines;
3. Support for the development of a CSR Centre of Excellence; and
4. The creation of the Office of the Extractive Sector CSR Counsellor.

In relation to pillar #2, Canada supports the following set of guidelines which it encourages companies to adopt:

- OECD Guidelines for Multinational Enterprises;
- International Finance Corporation Performance Standards on Social & Environmental Sustainability;
- The Voluntary Principles on Security and Human Rights; and
- The Global Reporting Initiative (GRI).

Judith St. George, Director General, Trade Commissioner Service Operations, presented on Canada's CSR Strategy and the role of Canada's National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises (MNEs). The NCP is an interdepartmental committee, which is responsible for:

- Making the Guidelines known and available;
- Raising awareness of the Guidelines;
- Responding to enquiries about the Guidelines;
- Contributing to the resolution of issues that arise relating to the implementation of the Guidelines in specific instances, and;
- Reporting annually to the OECD Investment Committee.

Marketa Evans, CSR Counsellor, Office of the Extractive Sector CSR Counsellor, presented on the evolution of the Office of the Extractive Sector CSR Counsellor, its mandate and the activities that it has undertaken and plans to undertake in the future. The CSR Counsellor's Office is autonomous of the Department with a three-year mandate to:

- Construct a review mechanism for Canadian mining, oil and gas companies for projects outside of Canada; and
- Advise stakeholders on the implementation of the endorsed standards.

Both presentations are attached to this report under separate cover. More information on Canada's CSR Strategy, Canada's National Contact Point and the Office of the Extractive Sector CSR Counsellor can be obtained from: www.csr.gc.ca.

Both presenters discussed their roles in review mechanisms. Canada's National Contact Point responds to requests for review of specific instances under the OECD Guidelines for Multinational Enterprises. Complaints can be registered to the Chair of the NCP, and once complaints are

received, DFAIT has a set process that it follows to investigate (see *Procedures Guide for Canada's National Contact Point for the OECD Guidelines for Multinational Enterprises* posted on the web). The eight partners (federal government departments) in the NCP decide whether the registered complaint is eligible for consideration (i.e., a "specific instance"), and if it is eligible, they encourage the involved parties to talk through the issues. Both parties have to agree to participate, and sometimes there is no remedy for complaints. Approximately one-two eligible requests occur per year.

The Office of the Extractive Sector CSR Counsellor has consulted on, developed and subsequently launched a dispute resolution mechanism on October 20, 2010. The Office consulted over 300 individuals and organizations in formal outreach activities and conducted extensive benchmarking to inform the development of the review mechanism. Issues are eligible for consideration if they relate to one of the performance guidelines, are relevant to Canadian mining and oil and gas companies and occur after the CSR appointment date. Based on research of other similar organizations, the Office expects that its first complaint will be registered 6-12 months following the launch date and expects to receive approximately one-two eligible requests per year. The Office intends to use face-to-face, dialogue-based problem solving for eligible requests.

One Panel member asked about the drivers of the creation of Canada's CSR Strategy and the Office of the Extractive Sector CSR Counsellor. Gordon Peeling of MAC summarized a series of events that occurred leading up to the creation of the Strategy and Office. He related that a number of incidents involving Canadian oil and gas and mining companies abroad including the case of a Canadian mining company operating in the Philippines sparked interest and concern in human rights issues and broader issues of corporate social responsibility with respect to the activities of Canadian mining companies in developing countries. A subcommittee of the Standing Committee on Foreign Affairs and International Trade (SCFAIT) examined this issue and in June of 2005, a report, *Mining in Developing Countries and Corporate Social Responsibility*, was tabled with the Government of Canada. The report argued that more should be done to ensure that Canadian mining companies operating overseas conduct their activities in a socially and environmental responsible manner. In 2006, the Government of Canada launched the CSR roundtables to identify issues and seek advice from civil society. As a result of this process, a lengthy discussion ensued in finding common-ground and providing recommendations to the government. The government's response was the creation of Canada's CSR Strategy. Some critics would say that the government response is not robust enough in the time frame allocated. Private members bills continue to come forward, reminding the government of its obligations on this issue.

MAC Member Company Application of International Standards and Programs

In relation to this topic, Julie Gelfand commented that MAC has been thinking about how it can improve communications around CSR practices of its members overseas. In response to a recommendation from the COI Panel at the September 2010 meeting, MAC developed a draft table (MAC Member Company Application of International Standards and Programs) that it would like to report on in its 2011 TSM Progress Report (pending approval). COI Panel members were asked for their feedback on the draft table and they provided the following input.

- Using the table as a tool to map out the standards that companies are applying is a good first step to explore the issue of reporting burden and audit fatigue. The next step will be to identify which standards are similar or different and to identify possible equivalencies. MAC could find ways to draw on other credible initiatives.

- It is important to start documenting which standards are being used, and MAC should proceed with completing the table, but should not commit to moving further than this for now. Further discussion is needed, and MAC should ensure that any output that is produced will help to advance the cause of demonstrating good performance, rather than confusing people.
- Once the table has been filled out, MAC / the Panel needs to understand whether these standards are adding value and correcting problems. The sheer number of standards may not be correcting problems. This discussion and analysis is likely to be an iterative process. The Panel does not want to overload companies with new standards without knowing how well they are doing on existing standards.
- The investment community would be interested in seeing the Carbon Disclosure Project and the Water Disclosure Project included in the list of standards in the table.
- Due to the complexities of the application of standards differently across facilities (within the same company), reporting could occur at the facility level.
- An explanation may need to accompany the table to explain to what extent or how companies acquire legacy issues from other companies.
- It was suggested that the Panel would benefit from seeing any recent literature reviews related to this topic to support future discussions.

Panel members also identified some challenges or gaps related to reporting on performance of the industry:

- MAC should stop lobbying initiatives such as Bill C-300. Negative incidents tarnish the industry and good news stories do not get reported.
- MAC should not lose its willingness to press for more robust frameworks or regimes which are good for Canada, civil society and the industry's reputation.
- The GRI has extensive reporting requirements upcoming on human rights. Some important issues are not currently treated through MAC reporting mechanisms (e.g., possible, forceful human relocation).
- Some issues may need to be treated through means other than indicators (e.g., through storytelling and case studies).

7 Emerging Issues

At the September 2010 COI Panel meeting, the COI Panel asked MAC where it would like to have increased input from the Panel. One of the areas that the TSM Governance Team (GT) identified for greater input is on emerging issues that MAC is not currently addressing. The COI Panel addressed this question during its in-camera session.

8 COI Panel In-Camera Session

At the September 2010 meeting, one of the COI Panel members suggested that it would be useful to set aside some time in the meeting agenda to convene an in-camera session of the non-industry representatives of the COI Panel to provide some formal space for the exchange of key messages that the Panel would like to provide to MAC. The non-industry representatives of the COI Panel proceeded with session at the March 2011 meeting. The group plans to hold a follow-up conference call to further discuss ideas before providing some recommendations to MAC.

9 Future Panel Meetings and Agenda Items

The Panel facilitator noted that MAC has been experimenting with new ways of engaging the Panel (e.g., through the first issues-based teleconference convened in February 2011). In addition, the facilitator noted that some agenda items might be covered more effectively by setting aside more time that would allow for a deeper discussion. One participant noted that some issues could be handled in standalone workshops. MAC and Stratos will continue to adapt the methods and mechanisms for seeking feedback from the COI Panel.

Next Meetings

The next **COI Panel teleconference** has been tentatively set for **Tuesday, May 31, 2011** from **1:30-3:00pm EDT**. The proposed purpose of the teleconference is to review the preliminary 2010 TSM results and frame the key messages for the COI Panel statement that will be included in the 2011 TSM Progress Report.

The next **COI Panel in-person meeting** has been tentatively booked to coincide with the International Mine Closure Conference taking place in Lake Louise, Alberta. The **full-day meeting** was proposed for **Tuesday, September 20, 2011** in **Calgary, AB**. In conjunction with the next in-person meeting, Teck Resources offered to host a **mine tour** at Teck Coal on **Wednesday, September 21, 2011** near **Sparwood, BC**. A question was raised about the Panel's interest in visiting the closed Sullivan Mine in Kimberley, BC (either instead of or in addition to the tour at Teck Coal). Interested COI Panel members are encouraged to provide feedback to Stratos on their preferences for mine tour options at the September 2011 meeting.

Future Agenda Items

Future agenda items discussed for possible inclusion in the September 2011 meeting include:

- Further discussion on mine closure;
- Further discussion on international standards applicable to the mining industry;
- Further discussion on water and mining to inform MAC's efforts to develop a water and mining framework and protocol; and
- Discussion on the value proposition of TSM.

The timing and inclusion of some of these agenda items will in part depend on the timing of activities occurring at MAC. Panel members are welcome to provide suggestions about future agenda items to the Panel facilitator throughout the year.

10 Meeting Evaluation

Panel members evaluated the Panel Meeting through four mechanisms:

- Submission of Meeting Evaluation Forms (1 member);
- Submission of post-meeting written comments to the facilitator (1 member);
- Provision of feedback through follow-up calls with Panel facilitator (3 members); and
- Provision of comments during the COI Panel meeting (as required).

Panel Member Evaluation of the Meeting

All of the Panel members who evaluated the meeting provided positive feedback on the meeting structure, agenda items and facilitation. Comments specific to various components of the meeting include:

- **Briefing Materials:** Some Panel members experienced difficulty in accessing the briefing materials via the FTP site and from individual files. One Panel member suggested that the briefing materials could be provided in a single PDF (with each agenda item as a chapter) and circulated via email in advance of the meeting. Another Panel member expressed an interest in receiving relevant literature on specific agenda items in advance of the meeting (particularly with respect to international dimensions of the Canadian mining industry as further discussions are convened on this topic).
- **Agenda Structure and Engagement Mechanisms:** Several Panel members stated that they appreciated the opportunity to have an in-camera session and that they might like to incorporate this feature into future meetings. One Panel member noted that the COI Panel meeting structure (two one-day meetings per year) makes it difficult to probe individual topics in sufficient depth. Convening working groups and conference calls could provide an opportunity for more substantive discussions on specific topics.
- **Value of Input and Content:** Two Panel members stated that they would like to continue to look at mining-related issues that extend beyond TSM. One Panel member suggested that the Panel would value the opportunity to revisit certain topics (e.g., safety and health) to account for Panel members that may have missed original discussions or have new experience or context that will allow them to provide further input. Another Panel member noted that post-verification review exercises are very illuminating and thought it would be useful to have an opportunity to follow-up and discuss the findings of verifiers and the comments or concerns expressed by those being verified.
- **Language of COI Panel Materials:** One Panel member noted that English is the dominant language used for COI Panel materials and this potentially creates constraints for engaging with various non-English speaking groups about TSM (e.g., L'Association minière du Québec (AMQ)).

Appendix 1: List of Participants

NAME	TITLE AND ORGANIZATION
Dan Benoit	Métis National Council
Barrie Ford	Makivik Corporation
Ginger Gibson	Individual member
Larry Haber	Executive Director, Kimberley Community Development Society
Brenda Kelley	Community Development Coordinator, Bathurst Sustainable Development
David Mackenzie	United Steelworkers of America
Stephen Kibsey	Senior Portfolio Manager, Caisse de Dépôt et Placement du Québec
Soha Kneen	Inuit Tapiriit Kanatami
Eric Morris	Assembly of First Nations, Regional Chief, Yukon
Alan Penn	Lands and Environment Science Advisor, Cree Regional Authority
Alan Young	Director of Corporate Programs, Canadian Boreal Initiative
Gordon Peeling	President and CEO, Mining Association of Canada
Doug Horswill	Senior Vice President, Environment and Corporate Affairs, Teck Resources Limited
Chantal Lavoie	COO and Acting CEO, De Beers Canada Inc.
REGRETS	
Roger Augustine	Assembly of First Nations, Regional Chief, NB/PEI
Richard Briggs	President, Mining Council, Canadian Auto Workers
Christy Marinig	CEO, Timmins Economic Development Corporation
Eira Thomas	President and CEO, Stornoway Diamond Corporation
Craig Ford	Vice President, People and Environment, Inmet Mining Corporation
Anne Marie Toutant	Vice President, Mining, Suncor Energy Inc.
OTHER ATTENDEES	
Judith St. George	Director General, Trade Commissioner Service Operations, DFAIT
Marketa Evans	Corporate Social Responsibility (CSR) Counsellor for the Extractive Sector, DFAIT
Pierre Gratton	President and CEO, Mining Association of British Columbia
Chris Fordham	Senior Sustainability Strategy Specialist
Julie Gelfand	Vice President, Sustainable Development, Mining Association of Canada
Michael van Aanhout	President, Stratos Inc.
Vicky Weekes	Consultant, Stratos Inc.