



Mining Association of Canada

Community of Interest Advisory Panel

Terms of Reference

Background and Context

The Mining Association of Canada (MAC) started its Toward Sustainable Mining Initiative (TSM) in 2000 to improve the industry's reputation by demonstrating improved performance. The MAC Board established the Community of Interest (COI) Advisory Panel in 2004 to advise on the design and implementation of TSM and to provide a mechanism for two-way dialogue between MAC and its communities of interest in Canada.

The mining industry and the conditions under which it operates in Canada and internationally have changed significantly since the COI Panel was established. **Key trends** which impact the industry currently are:

- Growing demand for minerals and the attendant level of activity in Canada and around the world is:
 - Raising the profile and level of scrutiny of the industry
 - Increasing stakeholder expectations for strong environmental and social standards, and at the same time,
 - Straining financial and human resources capacities in the sector
- New technology and higher prices are extending the life of mines; minerals extraction is extending into new and remote areas with different and more challenging social and environmental conditions
- The industry response to a growing number of standards is inconsistent in terms of sustainability performance – some excellent examples demonstrate leadership, some poor performance puts the sector at risk
- New actors, such as the international development community, are getting involved in the sector, with increasing polarizations: willingness among some social and environmental and social not-for-profit organizations to engage with the industry; strong opposition among others
- Communities are expressing a greater interest in mining as an opportunity to support social and economic development

These trends have **implications** for the mining industry and MAC member companies' role in society and their interactions with stakeholders and aboriginal/indigenous peoples including:

- Demands for stronger governance (accountability, transparent and participatory decision making) by governments on the industry (e.g. better regulation) and by the industry.
- Expectations for substantially improved environmental and socio-economic performance and outcomes.
- Lack of public understanding of the role of the sector providing essential materials and the contribution it makes to community development, national economies and international development.
- The need to build trust between industry and its communities of interest.

These renewed COI Panel Terms of Reference (ToR) have been developed to respond to these changing conditions, and to ensure that the Panel remains relevant, dynamic and a place for rich dialogue between MAC and its communities of interest which provides value to both.

Panel Goal

The COI Panel will assist MAC and its member companies to achieve excellence in sustainability performance acting on the TSM guiding principles, and to make a strong positive contribution to economic and social development in Canada, the communities where they work, and where relevant, other countries.

Panel Objectives

1. Identify to the MAC Board of Directors current and emerging priority issues (environmental, social/cultural and economic) for the sector (issue strategic planning)
2. Receive feedback from MAC on the industry's performance and on issues raised by its communities of interest, including through community-level engagement processes undertaken by member companies
3. Provide a place for rich and well-informed (national-level) dialogue and for MAC and its members to test industry policies and approaches, and to bring issues for advice (beyond the TSM program elements)
4. Advise and encourage MAC and its members to improve and raise the bar for environmental, social and economic performance
5. Advise MAC on the on-going development and implementation of TSM and review TSM implementation results
6. Contribute to the understanding of and support for the goals and achievements of TSM among MAC communities of interest

Composition

The Panel comprises 12–15 high-level, respected individuals from key mining sector or related communities of interest who are external to the mining industry.

The Panel members are selected to be individuals with experience and policy or practical expertise working with the mining sector.

Panel members bring their expertise and knowledge, as well as the perspective of MAC COI; they have the necessary respect and credibility within their respective COI to be an authoritative voice on the Panel; and they communicate with their COI on issues relevant to the Panel.

Panel members usually are not formal representatives of organizations within the COI categories.

Industry participation comprises 4 MAC Board members, 1 representative of the PDAC, and the MAC President. Additional MAC Board Members are strongly encouraged to regularly sit in as observers. MAC staff members will participate as resource persons.

Industry representatives participate in the COI Panel on an *ex-officio* basis. The role of *ex-officio* members is to listen and actively participate in the dialogue, but not normally to be part of decisions on the Panel's advice to MAC (except on procedural or administrative matters).

Core categories (12 members)

- Aboriginal people (3)
- Environmental NGO (2)
- Economic/community development (2)

- Social NGO including faith based groups (1)
- Finance/investment (1)
- International development (1)
- Labour/workplace (1)
- Media/communications (1)

Expert categories (3 members)

- Examples:
 - Specific international or domestic issues such as human rights, health, water, biodiversity, indigenous people outside Canada
 - Science/technology
 - Conflict management

The Panel will select the expert categories to be filled on the basis of the annual renewal process described below. The expert category may be used as a succession planning tool to facilitate continuity and avoid gaps in expertise amongst the core members of the Panel.

Other categories of COI's can be involved through means other than direct membership on the Panel. These include invitation to Panel meetings as resource persons, and links between the Panel and other dialogue processes. These other categories may include:

- Academics/researchers
- Environmental lawyers
- Mine service providers / suppliers
- Customers
- Consultants
- Other mining associations e.g. provincial/territorial mining associations

Local representatives such as mine managers or community leaders are to be invited to participate as observers on issue-specific matters.

Federal/provincial/territorial governments are to be invited to participate as observers on issue-specific matters, as appropriate, depending on the issues under discussion. Governments will be kept informed of the MAC's progress on TSM.

Term and Renewal of Membership

Panel members from core categories will be asked to serve a three year term, renewable once for a second term.

Panel members from expert categories will serve a one-two year term.

Membership on the Panel is renewed at an approximate rate of three-four members every two years to provide continuity in Panel membership, while allowing the Panel to bring new ideas, interests, and issues to the table. In unique circumstances, Panel members may serve more than two terms (e.g., to avoid gaps in core categories or to continue providing particularly relevant expertise). Individuals who wish to extend their term beyond the two three-year term limits, must formally be nominated again with their applications assessed against the criteria. Industry members will serve for a minimum two-year period.

Selection of Panel Members

The Panel composition is to favour depth rather than breadth of participation for a manageable diversity of key mining communities of interest.

Selection Criteria

- Clear fit into a core category or identified expert category
- Knowledgeable about mining industry and sustainable development policy, performance and practices and related issues
- Well-respected in their own constituency and among a range of mining interests
- Demonstrated commitment to open and constructive engagement
- Able to devote time and effort to participating in the work of the Panel
- Diversity across the Panel membership - mining regions across Canada and internationally, gender, youth, English and Francophone

Renewal Process

- The Panel Renewal Working Group, composed of 2 or 3 Panel members and 1 or 2 MAC member representatives, supports the Panel renewal process by:
 - Advising on succession planning for the Panel;
 - Identifying changes to the Panel composition as per the Terms of Reference;
 - Reviewing candidates and making recommendations to the Panel and MAC Governance Team;
 - and supporting the mentoring process for new members.
- The following general timeline is used for the Panel Renewal process:
 - The nominations process will begin after the March meeting, with packages distributed in late spring/early summer, closing in the fall.
 - New Panel members should be approved before the end of the calendar year.
 - Mentors connect with new Panel members for a 6-month period.
- Candidates to fill a core category position will be nominated on an individual basis and will not formally represent any organization¹
- Nominations package –Panel to advise MAC on content of nominations information including priority categories/issue where experts are sought; and, sufficient information on MAC, the Panel and the value proposition for Panel membership
- Open nomination process includes:
 - Posting on MAC website
 - Identification of potential candidates by incumbent external Panel members – directly and through networking in their constituencies
 - Identification of potential candidates by MAC member companies
 - Request to organizations which represent certain communities of interest to identify candidates for the Panel.

Approach to Panel Work

General Principles

- Mutual respect, openness to diverse opinions
- Two-way dialogue with constructive and frank exchange
- Transparency in process and information sharing – to be balanced with need for confidentiality of discussions, where appropriate

¹ Note: Transition from current mix of organizational representation and individual participation to individual participation alone will be facilitated through dialogue with existing nominating organizations.

- Maintain trust necessary for frank and productive exchange between external Panel and MAC representative members
- Working collaboratively to identify and address issues in a constructive manner to advance sustainable development in the mining sector

Basis for Participation

- Members participate to bring their understanding and expertise to the table
- Members in core categories to bring the views and perspectives of particular communities of interest
- Each member to communicate with their communities of interest (companies for MAC members) on Panel progress and issues, and to inform their perspectives for Panel meetings
- Panel Members including MAC representatives are to be available for all meetings; any member missing two consecutive meetings will be contacted to assess their ability to continue participating; any member missing a third meeting will be asked to step down

Treating Issues

- Raise, debate in a “safe space” important issues faced by the mining industry or identified by communities of interest
- Work to come to new and mutual understandings where possible or agree to disagree
- Not a place to resolve issues/ find solutions but to inform Panel members and MAC participants to take back for consideration and resolution in their own organizations
- Understand mutual accountabilities around issues raised
- Bring in outside expertise to inform debate on issues

Local, National and International Focus

- Focus on domestic issues and TSM performance to inform international performance and practice of MAC member companies
- “Safe space” to discuss and advise on international performance issues faced by Canadian industry and possible approaches for MAC members to consider to address them
- Panel members to link with their networks or “reference” groups of individuals and organizations to enhance communications within their respective COIs to report on and inform the work of the Panel
- Encourage regional-level dialogue and input on issues addressed by the Panel
- Help create conditions for communities to speak to companies about relations and performance of facilities
- Use MAC member COI engagement processes at the facility level to address TSM
- Avoid duplication with other local, national and international forums/organizations

Addressing Industry Performance

- Advise on TSM performance of MAC members
- Not focus on individual company performance beyond implementation of the TSM performance management system
- Identify issues related to industry performance beyond TSM implementation for MAC member companies to take back to address through their individual management systems and practices

Panel Advice and Decision Making

- Seeking common ground where possible
- Decisions on Panel recommendations providing advice to MAC are to be taken on a consensus basis to the extent possible; where consensus is not reached, different views of Panel members are recorded and issues discussed, or put aside to be addressed in the future, as appropriate
- The Panel may choose to convene “in camera” sessions to discuss issues and formulate recommendations to MAC, as appropriate

- MAC will provide a response to the Panel's recommendations, by stating its position, its proposed actions or reasons for not acting on recommendations
- The Panel serves to provide advice, but not to endorse MAC activities, beyond the work of the Panel

Agenda Setting

- Strategic priority setting of issues and agenda items once per year
- Any Panel member or industry representative can propose items for the agenda – at the end of each meeting or subsequently to the Panel moderator
- Agendas will be jointly agreed upon
- The agreed agenda will be posted online at least three weeks in advance of a Panel meeting
- Priority to be given on agenda to: 1) discussion of substantive policy and performance issues facing the industry; 2) focused discussion and review of TSM performance results including post-verification reviews; 3) advice on continuing development of TSM
- Emphasis on sufficient time for discussion during Panel meeting with presentations and updates kept to what is essential to inform discussion

Meeting Reports

- Meeting reports will be prepared by Panel moderator and will be distributed to Panel members for comment within four weeks of the meeting date
- Non-attribution except 1) where formal presentations made; or 2) Panel member requests to have his/her views recorded
- The final report will be submitted to the MAC TSM Governance Team and will be posted on MAC website and available on request
- The Panel can identify key issues and recommendations to send to the MAC Board
- The Panel members can use meeting reports to inform and engage with their respective communities of interest

Communications

- Panel members communicate the work of MAC and the Panel to their own constituencies and bring perspectives of their constituencies to the Panel
- Affirm the evidence of MAC member TSM performance but not advocate
- Prepare an annual Panel statement which fairly represents the Panel's perspectives on TSM performance and on broader issues addressed in the Panel's work
- The Communication and Reporting Protocol annexed to these ToR are intended to balance the objective of transparency with confidentiality of discussions, where appropriate

Evaluation

- Meetings: An evaluation will be conducted at that conclusion of each Panel meeting.
- Panel: The Panel's achievement and operations to be evaluated every three years; external and MAC Panel members to agree process including need for external participation or review

Operation of the Panel

- Regular meetings (twice per year), with one meeting held at a regional site near a member company facility/community where it operates
- Participation in Panel working groups for specific purposes, as appropriate
- Reimbursement of direct out-of-pocket expenses for all external Panel members
- Offer of an honorarium of \$500 per day, consistent with practices in like processes, to cover preparation and participation time, or to compensate participants for lost work time, where needed and where this is considered appropriate by their organization. (See Guidelines for Honoraria)

- External moderator, jointly agreed to facilitate meetings and ensure agendas and meeting reports reflect Panel members' contributions. The moderator will also receive from Panel members individual evaluation comments on the work of the Panel, to be held in confidence when requested.
- Secretariat services for the Panel to be provided by MAC, supported by the moderator, including logistics, recordkeeping and support to the Panel
- New Panel members will be mentored by a Panel member (current or resigning) for a period of six months (including one Panel meeting overlap) to facilitate transfer knowledge on the workings of the Panel and subject matter specific to the Panel's discussions

Materials for Meetings

- Supporting materials for meetings will be provided three weeks in advance of the meeting date, and will:
- Be available in English; and will be made available in French when requested
- Be distributed in electronic format, with hard copies available on request
- Draft materials will be available for distribution within constituencies, with the requirement that the content remain confidential. All documents that have not been finalized should be clearly labelled as DRAFT.

Information Dissemination

- Only documents that have been approved by the Panel will be made public
- All public documents will be available online
- Public documents will be available in English and will be made available in French when requested or other languages as needed
- Public documents will be available in electronic format, with hard copies available on request
- Information included in draft documents that are distributed within constituencies prior to Panel meetings must be kept confidential.

Participation in Meetings from Outside Groups

- When deemed necessary, individuals from different interests or governments will be invited to make a presentation at a Panel meeting, or can make a request to the Panel, which will make a decision on their participation
- The Panel will identify individuals that should be involved in discussions related to a specific agenda item

Communications and Reporting Protocol

Purpose

- ✦ The purpose of this Communications Protocol is to ensure clarity among the Panel and MAC on external communications related to the work and results of the work of the Panel, and to ensure an appropriate balance of transparency with confidentiality of discussions, where appropriate.

Panel Information and Communications

- ✦ MAC will regularly communicate with Panel members on aspects of its activities relevant to the Toward Sustainable Mining Initiative
- ✦ Terms for meeting materials, information dissemination and meeting reports are addressed under Operational Principles of the Terms of Reference
- ✦ Panel members will keep confidential any information stated as such and provided to them by MAC
- ✦ MAC representatives will keep confidential any information stated as such and provided to them by a Panel member

Reference to Panel by MAC Representatives

- ✦ Representatives of MAC or its member companies will not reference the Panel's advice to MAC or otherwise imply Panel endorsement:
 - In its participation in regulatory or policy processes, without formal approval of all Panel members
 - In its involvement in any role in legal court cases, legal challenges or where it has intervener status in a legal proceeding

Reference to MAC by Panel Members

- ✦ Panel members will not speak on behalf of or in the name of MAC in any circumstance
- ✦ Panel members will not speak on behalf of the Panel without formal approval of all Panel members

Communications with Government Officials

- ✦ Panel members will not speak or correspond with government officials about the discussions or advice provided by Panel members to MAC, under the name of or on behalf of the COI Panel