

## STATEMENT FROM THE COMMUNITY OF INTEREST ADVISORY PANEL

### INTRODUCTION AND BACKGROUND

The Community of Interest (COI) Advisory Panel was established in 2004 to help MAC members and communities of interest improve the industry's performance, foster dialogue between the industry and its communities of interest and to help advance the goals of the TSM initiative.

The COI Panel is composed of a diverse group of individuals associated with social NGOs (including faith-based groups), the media/communications sector, Aboriginal communities, ENGOs, international development groups, economic/community development organizations, the finance/investment sector, labour/workplace organizations, as well as issue expert advisors. New COI members are invited to join by the current panel members. The Panel also includes industry members appointed by MAC who actively engage in the discussions, provide company insights and help to connect the Panel's work to that of the MAC membership.

### THE YEAR IN REVIEW

#### Impacts of the Mount Polley Tailings Dam Failure

Although there were many issues and activities that are worthy of note for 2014/2015, it was the Mount Polley tailings dam breach that overshadowed all else. Early on August 4, 2014, the perimeter embankment at the Mount Polley copper mine near Likely, in south-central British Columbia, failed catastrophically. The loss of containment was sudden, with no warning. That failure released at least 25 million cubic metres of mine tailings and effluent mixed with storm water into Polley Lake and Hazeltine Creek. The spill finally stopped when it reached Quesnel Lake, a large salmon-spawning fjord-type lake many kilometres away.

While, thankfully, there were no human fatalities, the disaster has, and will continue to have, extraordinary impacts that start locally, but resonate provincially, nationally and internationally. In solely economic terms, it has cost taxpayers and shareholders hundreds of millions of dollars, but more importantly, it has been profoundly disruptive to the affected downstream communities at many levels.

There is much that is still unknown about the long-term impacts of the dam failure, but what is certain is that the industry, and its relationship to the public has been deeply shaken. The public and corporate systems both failed to effectively foresee and prevent this disaster. This inescapable reality has served as a serious wake-up call on all sides about the way we assess and manage risks associated with industrial mining.

The company at the centre of the disaster, Imperial Metals, had recently joined MAC and was just two years into implementing the Towards Sustainable Mining standards, so this event struck the MAC membership and the COI Panel deeply. As a result, the Panel devoted its first meeting of 2015 entirely to investigation of various aspects of the failure (from engineering to community engagement issues) and the MAC Board of Directors initiated a formal independent expert review of related TSM standards and verification systems (the expert task force will issue its report in fall 2015).

At the meeting, the Panel had the opportunity to discuss with a variety of experts what is known about this particular disaster, and the ways in which tailings impoundment risks are currently assessed and managed. We talked about the oversight and accountability mechanisms that need to be strengthened, and how disclosure of risks and management responses could be improved to better inform the public and the financial sector, both of whom have different, yet important, stakes and influence in helping prevent future disasters.

The COI Panel had the chance to hear from technical experts from the BC government's Independent Expert Engineering Investigation and Review Panel, as well as representatives from the Canadian Dam Association and others. There was a clear sense of agreement with the conclusion of the Expert Panel's report that that we must firmly reject any notion that business as usual can continue.



Given that there are many tailings storage facilities in BC and across the country that have been built and managed with similar assumptions and systems as Mount Polley, there is a real sense of urgency to understand the underlying causes of the failure and the most effective means of preventing future disasters. The causes of the failure are complex and must be addressed by a range of engineering, management and regulatory changes. For these reasons, the COI Panel is committed to actively supporting these changes and to communicating progress towards that goal to its networks.

#### **International Links to Sustainable Mining Standards**

Since 2013, the COI Panel and MAC have had various meetings with delegates from Finland who have been interested in exchanging lessons and ideas around multi-sector approaches to improving mining industry performance. In 2013, the Finnish Innovation Fund (SITRA) sent several people to Canada to meet COI Panel members and others engaged with the mining industry.

Partly inspired by the COI Panel, in May 2014, the Finnish Network for Sustainable Mining (NSM) was established to foster cooperation and dialogue between the mining industry and its stakeholders. It provides a platform for sharing information and experiences, and advocates the joint development and introduction of more responsible practices on the basis of tried-and-tested best practices. To this end, the NSM has undertaken a process for adopting and adapting the TSM initiative for use in Finland.

In March 2015, Finnish NSM delegates from indigenous groups, NGOs, communities, industry and government came to Toronto to participate in COI Panel meetings and to exchange views on how to make progress on industry performance and community engagement. It was mutually agreed that this kind of exchange was enriching for all parties and that we should continue to work together towards the common goal of improving mining sector performance and leadership in community accountability.

#### **Québec Mining Association's TSM Commitment**

In the summer of 2014, the Québec Mining Association (QMA) made the decision to adopt the TSM initiative as a requirement for its members, becoming the second provincial mining association to do so following the Mining Association of British Columbia's (MABC) adoption of the initiative in 2011. Representatives from the QMA attended the COI Panel meetings in March 2015 and, along with the Finnish delegates, participated in the discussions around the implications of the Mount Polley tailings dam failure, as well as the opportunities for future actions to advance and refine the goals of TSM.

The MAC COI Panel is encouraged by both the Finnish and QMA commitments, and intends to actively support further interaction and communication with the NSM and the QMA, believing that such collaboration is relevant to the pursuit of the broader social issues related to mining which drive the Panel's agenda.

Initiatives like the NSM and the QMA's commitment are very important as parts of an expanding network of practitioners and stakeholders who help to drive the necessary adaptive and innovative changes within the COI Panel and the TSM system. These kinds of interactions are part of what will keep TSM and the COI Panel relevant to the evolving challenges of the mining sector.

#### **Val-d'Or Community Visit in Fall 2014**

The autumn meeting of the COI Panel in 2014 took place in Val-d'Or, a town situated in the mining belt in northwestern Quebec, a region with an active mining history dating back to the 1930s. The meeting was hosted by Agnico Eagle, and provided opportunities to visit the Goldex mine, the Canadian Malartic gold mine and the town of Malartic, mine tailings reclamation work at the Manitou site, and to meet with a number of largely business-oriented groups in the town of Val-d'Or, as well as at the native friendship centre.

There is a complex and challenging history of Aboriginal relations in this region. As part of the COI Panel's mandate, discussions with the Algonquian communities in the region were requested. Unfortunately, due to unforeseen events in the community, there was limited representation from First Nations. Nevertheless,



the meeting did provide an opportunity to explore the social history of this region, including the Aboriginal communities, and to discuss the challenges involved in building a framework for more effective community and Aboriginal engagement.

### **TSM Results and Progress**

As part of its evolving set of standards and protocols, 2014 was the second year of reporting at the facility level for the two newest protocols, the biodiversity conservation management protocol, and the safety and health protocol. The COI Panel continued one of its primary roles in providing more in-depth feedback on two selected companies who presented and discussed their findings with the Panel, as well as providing input to the ongoing update and review of existing protocols.

It was good to see progress across a number of the indicators, which suggests that the initiative is having some success in creating incentives among MAC members to actively incorporate TSM standards and to improve on the ways these standards are implemented. For example, the number of facilities assessed at a Level A or higher for implementing effective management systems for biodiversity conservation has increased from 39% in 2012 to 52% in 2013 and to 66% in 2014.

In the area of Aboriginal and community outreach, results for effective engagement and dialogue with communities of interest show over 90% of facilities reporting a Level A or higher. Importantly, the percentage of facilities at a Level AAA – the highest possible ranking – for this indicator has increased from 13% in 2006 to 48% in 2014. As noted below, this adoption of the highest standard is important, but should not represent a plateau, as the needs, expectations and learning regarding community engagement are constantly evolving.

For energy use and GHG emissions, nearly 90% of facilities reported a Level A or higher for implementing comprehensive tracking and reporting systems for internal and public reporting.

As previously mentioned, in response to the Mount Polley tailings storage facility disaster, MAC initiated a review of its tailings management program by an independent expert panel, which includes a COI Panel member. The review will assess the TSM initiative and its various indicators and guidance directly related to tailings management: tailings management policy and commitment, tailings management system, assigned accountability and responsibility, annual tailings management review, and an operations, maintenance and surveillance manual. Also included in the review are the appropriate mechanisms for community outreach as part of tailings facility design and management. The review panel will report its findings and recommendations to the MAC Board and the COI Panel in fall 2015.

Panel members have also begun to discuss the challenge of continuous improvement in those cases where we are seeing significant numbers of facilities reaching Level AA and Level AAA performance. It is important to ask if there are ways to improve the standards and, using feedback from both companies and communities of interest, create incentives for further innovation and improvements beyond the standards.

### **Conclusions**

As is often the case, the past year has been marked by both setbacks and progress. The massive dam failure at Mount Polley has provided a serious wake-up call to industry, communities and regulators that the systems we have set up need to be overhauled at various levels to increase the safety to and the confidence of the public.

What can be understood as positive from this calamity is that the profound impacts have not been lost on anyone. This is a moment when industry has had to publicly realize that its systems and those of governments are not adequate to prevent serious accidents that have massive consequences inside and outside the industry. The onus is now on everyone associated with the industry to take advantage of the attention and energy of this moment to make the changes necessary to improve safety and start to regain the public's confidence. The Community of Interest Advisory Panel can and will continue to play an important role in contributing to these changes through our focused exchange of perspectives, concerns and insights with MAC members.

