

Statement from the Community of Interest Advisory Panel

The Community of Interest Advisory Panel (COI Panel) was established in 2004, and has played a key role in the design, and subsequent implementation and evolution of the *Towards Sustainable Mining*® (TSM®) initiative. The Panel is composed of representatives of the various “communities of interest” that are directly or indirectly impacted by the activities of extractive industries as well as select members of the MAC Board who actively engage in the discussions, provide company insights, and help connect the COI’s work to the MAC membership. The current COI Panel includes 18 individuals from Indigenous groups, international development groups, economic and community development organizations, environmental and social NGOs, the finance/investment sector, organized labour, as well as individuals with issue-specific expertise and industry representatives. More information about the COI Panel is available at www.mining.ca/coi-panel.

This Panel Statement offers an independent reflection from the non-industry members of the COI Panel on key areas of interest and progress since the previous statement. It covers the October 2016 meeting in Ottawa, the March 2016 meeting in Toronto and all interim activities.

As Canada celebrates its 150th anniversary, it is important to remember the central role that the extractive industries have played in defining Canada’s identity—not only over the last century and a half, but going back much further, both before and after the arrival of the first Europeans centuries ago. While anniversaries are invariably seen as moments for celebration, they should also be seen as opportunities for reflection about our past and what we hope to achieve in the future. This is particularly true in relation to the extractives sector. While many positive changes have taken place in recent years, including the adoption of the TSM initiative and the creation of the COI Panel, both old and new challenges faced by the extractive industries mean that there is still work to be done. In many ways, this is reflected in how the COI Panel itself has undergone an important evolution in its role and activities as an independent advisory body to the Mining Association of Canada since it first met in 2004. The activities the COI Panel undertook this past year, which are discussed in this statement, are good examples of this.

THE COI PANEL’S EVOLVING ROLE

TSM has evolved in important ways since its inception in 2004. This evolution has been conditioned by a number of factors, including the fact that once the TSM program was fully implemented, the COI members could dedicate more of their time to issues that went beyond the TSM protocol areas. This evolution advanced further in 2011, when the Panel undertook a renewal process that led to revisions in its terms of reference, introduced a new mode of operations for the Panel and facilitated the recruitment of new members. In particular, the Panel’s revised mandate shifted membership away from organizational member representation to individual representation and broadened its scope to allow the Panel to address issues beyond TSM. To address these issues, COI Panel members have also expanded their activities in between the two annual meetings, which is perhaps the best indicator of how seriously COI members take their role.

This evolution has also allowed MAC to take advantage of the tremendous asset the COI Panel represents for advancing MAC’s own mission for TSM. Collectively, the COI Panel represents a broad spectrum of non-industry stakeholders, and each member brings a wealth of relevant experience and knowledge. While it continues to play a central role in Post-Verification Reviews and TSM’s own evolution, the Panel has increasingly been advising MAC on many of the key challenges and opportunities that the extractives sector faces. Working with the industry representatives who are ex-officio members of the group, the COI Panel has become an important forum for multi-stakeholder dialogues relating to the extractive sector.

RISING TO THE CHALLENGE:

COI Advisory Statement on Climate Change Issued to MAC and MAC Members

A good example of this Panel’s expanded scope is the *COI Advisory Statement on Climate Change*. The Task Force was created in 2015 and the drafting of the statement generated considerable and highly constructive discussions within the Panel, and with MAC and its members. These discussions led to the discussion of a revised draft statement at the October COI Panel meeting. Climate change was also discussed at the October meeting with senior public servants and elected officials from Environment and Climate Change Canada (ECCC) and Natural Resources Canada (NRCan).

Based on these discussions, the final statement “challenges and strongly urges MAC and its members to continue to lead and innovate” in a variety of areas specifically linked to global climate change.



To this end, the Panel proposes specific ideas and actions to assist MAC and its members in building on the progress already made in addressing climate change, and to help guide future endeavours with respect to planning, managing and operating mines and related activities in this changing global context. The statement includes “calls to action” with recommendations for integrating considerations relating to climate change into six areas in which MAC and its members are actively involved:

1. the implementation and continued development of TSM;
2. operational areas (e.g., mine sites, processing plants and smelters);
3. relations with local and Indigenous communities;
4. supply chains;
5. public and policy engagement; and
6. disclosure of climate risks and opportunities.

The statement’s specific recommendations are wide-ranging, addressing important issues such as engagement with local Indigenous interests, rights-holders and stakeholders; actively pursuing effective means to mitigate climate change impacts; focusing efforts on achieving a just transition and proper adaptation for long-term resilience; and challenging supply chain partners and investors to support these efforts. The statement has been positively received by MAC, and a formal response was issued in June 2017.

THE PANEL’S POST-VERIFICATION REVIEW

This evolution of the Panel’s role is reflected in the other principal activities of the Panel over the past year. Conducting Post-Verification Reviews (PVRs) remains one of the COI’s core activities. The focus of discussions has shifted from reviewing companies’ TSM scores to fostering more dialogue between the Panel and MAC’s member companies. This change allows the companies to take better advantage of the experience and expertise of COI members¹.

In 2016, PVRs were held with representatives of Hudbay Minerals and Suncor Energy. Important outcomes from the Panel discussion included advice to the companies to continue attempts at Indigenous and community engagement in areas where such engagement may be problematic, noting that relations may change at any time due to contextual factors that the industry might not be aware of. Panel members also recommended that MAC consider some form of endorsement of the Truth and Reconciliation Commission’s Action 92, that companies adopt the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as a reconciliation framework through the enactment of appropriate corporate policies, integrating them with calls to action directed at other members of society. It was also noted that reconciliation is an ongoing conversation. Finally, Panel members recommended that more attention be paid by companies to the relationship between their energy use and climate change, including the consideration of the development of renewable power options.

DIALOGUE WITH GOVERNMENT OFFICIALS

As previously noted, the Panel met with senior government and elected officials from ECCC and NRCan during the October meeting. In addition to discussing issues related to climate change, the wide-ranging discussion addressed improving Indigenous and community engagement, international mining social responsibility, and strategic infrastructure development.

PANEL REFLECTIONS

A session was held at the October meeting to provide for a discussion of the Panel’s objectives to ensure that there was a common understanding of them and to align Panel members’ expectations with available resources. Members were generally comfortable with the objectives set out in their Terms of Reference. The discussion highlighted a number of important issues. These included how to align Panel priorities with the MAC Board’s priorities and the possibility of using a materiality process to set the agenda for COI Panel activities.

It was agreed that a Panel task force be formed to look into this. Panel members recognized the importance of the PVRs, and discussed various ways to improve the process, including how to balance the Panel’s core activities and non-core activities, like those relating to emerging issues. Normally, the fall COI meeting is held at the location of one of the mines undergoing review.

This allows the COI members to visit the operation and interact with local communities of interest. The October 2016 meeting was held in Ottawa, so a site visit was not possible.

¹ To facilitate this, webinars are held before the meeting to review many of the findings and technical aspects of the verification process.



Panel members emphasized this was exceptional given the importance of site visits, particularly the opportunity to meet with their local counterparts. Improving MAC's engagement with the Panel was also discussed. It is also important to note that an ongoing discussion of issues relating to Indigenous peoples continued during this session, although it was difficult to identify next steps to take. This is related more generally to the topic of community engagement, and also builds on the discussion that began with the work of the task force on community engagement, which had presented an update of its activities during the meeting.

AGENDA SETTING AND AN OPENING ROUNDTABLE DISCUSSION

An important objective of the March 2017 meeting stemmed directly from the October discussion regarding agenda setting and a proposed issues tracking and materiality process. As part of this objective, the March meeting began with the first of what will be a new feature of Panel meetings: a roundtable discussion whereby Panel members and industry representatives exchange their views on what Panel members believe are important and relevant issues for their COI. The rich and dynamic discussion touched on a wide range of issues, including income inequality, impact and opportunity of mine automation for low-skilled jobs, the transition to a low carbon economy, climate change, the UN Sustainable Development Goals, cybersecurity, mine closure, recognition and reconciliation, Indigenous rights, internationalization of TSM, and Canada's global competitiveness in mining. Although most members found the discussion worthwhile, it was also noted that the focus needed to be on what was relevant to the mining industry to maximize its usefulness for agenda setting for the COI Panel.

TSM INTERNATIONALIZATION

As part of the internationalization of TSM, two members from Argentina's Cámara Argentina de Empresarios Mineros (the national mining association that recently adopted TSM in October 2016), and one member from Ecuador's Ministry of Mines (interested in adopting TSM) joined the March meeting. The COI Panel also heard from FinnMin, (the Finnish Mining Association that adopted TSM in November 2015) via webinar regarding its work on developing a water protocol. The Panel is grateful for these opportunities to connect with people from other countries who are implementing or interested in TSM as we see value in working together on common issues. The conversations are lively and valuable and also help us see mining in the broader global context.

WATER STEWARDSHIP STANDARDS

The focus of the March 2017 Panel meeting was for MAC to gather feedback from Panel members as it begins to develop a *TSM Water Stewardship Protocol*. Four water-related standards were discussed in detail: 1) the ICMM Position Statement on Water Stewardship; 2) the Alliance for Water Stewardship Standard; 3) the Finnish *TSM Water Protocol*; and 4) the CDP Water Program. To prepare for the discussion, MAC held a webinar to share information on the four water standards. During the meeting, Panel members were invited to discuss each standard and identify aspects of each that MAC should consider as it begins working on a *TSM Water Stewardship Protocol*.

Along with a detailed discussion of each of the standards, several general conclusions stood out. There was general agreement on the importance of having a water protocol. It would be one of the few protocols to help companies manage impacts in the larger community, and it would recognize how water is generally the most important issue for communities, particularly from an Indigenous perspective. It was noted that Canadians have a certain understanding of water abundance that is not a worldwide reality. Even within Canada, there is a need to consider water flows. In many respects, mining is about managing water and there is a need to emphasize its importance in TSM. Yet water is a complex subject and MAC may need more expert advice (e.g., hydrologists, experts on water scarcity) to capture all of the necessary perspectives. At the same time, it was noted that the industry can play a problem-solving role for local communities, especially where the government is not taking on that role. More generally, this exercise demonstrated how the COI Panel could play an important role in reviewing the standards. It was a constructive discussion that was timely, even if it was often "outside our comfort zone."

MOVING FORWARD

The effectiveness of community engagement has been an ongoing theme in COI Panel meetings for some time, and in 2016 a Task Force on this topic was established. In particular, questions concerning the confidence companies had in the effectiveness of their engagement activities were raised. Initial conversations among the original Task Force members explored what role MAC could play in helping member companies ensure that their engagement activities are effective. The Task Force has received support from the full COI Panel and the *TSM Governance Team* to continue to progress this work.



The Task Force was expanded to include members of the *TSM Initiative Leaders* committee as well. Comments received from two departing Panel members, who were also on the Task Force, resulted in further discussion on the effectiveness of community engagement during the March meeting.

Given the importance of relations with Indigenous communities and their participation on the COI Panel, MAC will be reviewing the *TSM Aboriginal and Community Outreach Protocol* in 2018, and it is anticipated that the Panel will use this opportunity to prioritize this topic. A related theme that came up in the March meeting was how the Panel might pay greater attention to the implementation of the Truth and Reconciliation Commission and endorsement of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) by MAC members. Given that anniversaries, especially important ones like Canada's 150th, are times for both celebration and reflection, both themes would be appropriate priorities for the COI Panel's attention in the coming year.



MAC's Community of Interest Advisory Panel at Glencore's Raglan Mine in Northern Quebec.

