

## Message from the Chair of the TSM Governance Team and MAC's President and CEO

Welcome to the 2016 *TSM Progress Report*. We are pleased to present a detailed look at our members' environmental and social performance for 2015.

### HIGHLIGHTS OF 2015 RESULTS

This report includes the 2015 TSM performance results of 62 facilities belonging to 22 of our member companies, six of which had their results externally verified as part of TSM's three-year external verification cycle. Two mines reported TSM performance for the first time and are included in aggregate graphs for each of the protocols.

Once again, we saw improvements across all protocols:

- 85% of facilities reported having a comprehensive management system for energy use and greenhouse gas (GHG) emissions, compared to 75% in 2014.
- More than 90% of facilities achieved a Level A or higher across all indicators in the Tailings Management Protocol.
- 86% of companies and facilities reported they have a crisis management plan that adheres to the criteria of the Crisis Management Planning Protocol, compared to 83% in 2014.
- 95% engaged in effective and meaningful two-way dialogue with communities of interest.
- 71% have senior management commitment to biodiversity conservation in place.
- 100% have a fully implemented safety and health management system.

### INCREASED UPTAKE OF TSM

Uptake of TSM continues to grow within the MAC membership and beyond. After officially adopting TSM for its membership in 2014, the Québec Mining Association (QMA) focused on preparing its members for public reporting and external verification throughout 2015. The Mining Association of British Columbia (MABC), which has also adopted TSM, continued to help members work towards implementation and initiated a peer-mentoring program for companies experienced with TSM to provide support to those just starting out.

With the Finnish Mining Association's (FinnMin) adoption of TSM in 2015, our made-in-Canada sustainability standard has been exported globally. Since signing the licensing agreement in November 2015, FinnMin has been working towards implementation by translating the TSM documents into Finnish and organizing training sessions for its member companies. FinnMin has also introduced two new protocols for its members that address mine closure and water stewardship. In 2016, the Argentinian Chamber of Mining Entrepreneurs (CAEM) became the second association outside of Canada to adopt TSM.

### TAILINGS MANAGEMENT

MAC's focus in 2015 was to fulfill the commitment made following the Mount Polley tailings incident to thoroughly review the tailings management components of TSM to ensure they reflect best practice. Throughout the year, the Independent TSM Tailings Management Review Task Force conducted an in-depth analysis of the TSM tailings management requirements, including MAC's three tailings management guides and protocol. In November 2015, the Independent Task Force presented MAC with its final report comprising 29 recommendations to strengthen the requirements and guidance under TSM. Since November, we have been focused on amending the TSM Tailings Management Protocol and the accompanying guides to implement all of the Task Force's recommendations.

In parallel to the work of the Independent Task Force, MAC's Tailings Working Group also conducted a thorough review of TSM. Although this work was separate from the Task Force process, there was a high degree of convergence between the Task Force's recommendations and the outcomes of the Tailings Working Group review.

Implementation of the Independent Task Force's report and the recommendations of the MAC Tailings Working Group have already produced several enhancements to the TSM Tailings Management Protocol.



In 2016, the MAC Board of Directors approved a set of revisions to the protocol that address all of the Task Force's recommendations related to the Tailings Management Protocol. Throughout 2016, with the support of the Community of Interest (COI) Advisory Panel, MAC and its members will work to implement the remaining recommendations of the Task Force's report.

Additionally, MAC's Tailings Working Group is working to revise the tailings guides to have a stronger emphasis on the technical aspects of tailings management, especially those critical to the physical and chemical stability of tailings facilities. An enhanced *Guide to the Management of Tailings Facilities* is expected to be released in 2017.

### NEW WATER STEWARDSHIP POLICY FRAMEWORK

In 2015, MAC published a new TSM Policy Framework on Water Stewardship, reflecting the ongoing evolution of TSM and our members' expanding commitments to the environment and the communities where they operate. The new framework complements the commitments spelled out in the TSM Guiding Principles and includes 13 elements that further strengthen the membership's commitment to sustainable practices. Through adoption of this framework, MAC members commit to implementing responsible water-related policies and practices. These include identifying and managing risks, seeking opportunities to conserve water, and ensuring that water use and discharge decisions consider the needs of other users and the ecosystem. They will engage collaboratively with communities of interest to understand water needs and uses, and manage potential impacts of their facilities on water resources. The framework also includes commitments related to managing water in a transparent and accountable manner, which includes publicly reporting on water-related performance.

### COI ADVISORY PANEL

Throughout 2015, the COI Advisory Panel continued to be integral to the success of TSM. Specifically, in the role that it plays in the Post-Verification Review (PVR) component of TSM, the Panel selected Agnico Eagle Mines and Taseko to participate in the PVR process, which led to interesting discussions on topics ranging from how companies evaluate the effectiveness of their community engagement activities to how companies are preparing for and adapting to climate change. As described in the COI Panel's annual statement on page 7, the group remains focused in 2016 on pushing the industry forward on these important issues.

We hope you enjoy the *2016 TSM Progress Report*.



Louise Grondin  
Agnico Eagle Mines Limited  
Chair of the TSM Governance Team\*



Pierre Gratton  
President and CEO  
The Mining Association of Canada

\*Louise Grondin stepped down as chair of the TSM Governance Team in 2016. Peter Read, Syncrude Canada was appointed as the new TSM Governance Team Chair in 2016.