

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

Welcome to the 2017 *TSM Progress Report*. We are pleased to present a detailed look at our members' environmental and social performance for 2016.

HIGHLIGHTS OF 2016 RESULTS

This report includes the 2016 *TSM* performance results for 65 mining facilities across Canada belonging to 22 of our member companies. This year, 20 mining facilities 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 overall performance improvements in many of the *TSM* protocols:

- 98% report publicly on their engagement and dialogue activities, compared to 94% in 2015.
- 93% have a crisis management and communications plan, compared to 86% in 2015.
- 72% report publicly on biodiversity conservation activities and performance, compared to 66% in 2015.
- 56% have established and met energy and GHG emissions performance targets, compared to 44% in 2015.

TSM DEVELOPMENTS & IMPROVEMENTS

MAC continued to focus on implementing improvements to *TSM*. Particular focus was placed on the recommendations of the *Independent TSM Tailings Management Review Task Force*. Over the course of 2016, several amendments to the *TSM Tailings Management Protocol* were approved by the MAC Board of Directors based on recommendations that resulted from internal and external reviews of MAC's tailings management requirement and guidance.

A revised and strengthened *Guide to the Management of Tailings Facilities*, which facilities must conform to in order to meet the requirements of the protocol, also incorporates the recommendations of the Task Force and MAC Tailings Working Group, and was published earlier this year.

In addition to our work to strengthen *TSM*'s tailings management components, MAC updated the *TSM Crisis Management and Communications Planning Protocol* and the associated reference guide to ensure they reflected current leading practices. The review of the *TSM Safety and Health Protocol* was also completed in 2016 and resulted in several enhancements, incorporating lessons learned from the first few years of the protocol's implementation.

Throughout 2016, MAC and the *TSM Governance Team* explored the possibility of developing a new protocol on water stewardship. Throughout 2017, MAC has been working with the Community of Interest (COI) Advisory Panel and water experts to develop a potential *TSM Water Stewardship Protocol*.

COI ADVISORY PANEL

The COI Advisory Panel played a key role in *TSM*'s design from the very beginning, and continues to be integral to its evolution and implementation. In 2016, the Panel chose to focus on three main priorities: tailings management, climate change and community engagement.

Specifically, the COI Panel reviewed the recommendations of MAC's *Tailings Working Group* and the *Independent TSM Tailings Management Review Task Force*. The Panel provided valuable input on how to address the recommendations, especially as they related to community engagement.

On climate change, the Panel issued an advisory statement to MAC that proposed 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.

A subcommittee of the Panel also explored how companies can measure and evaluate the effectiveness of their engagement with communities of interest.



As MAC embarks on a review of the *TSM Aboriginal and Community Outreach Protocol* in 2018, it will work to incorporate the advice of this subcommittee.

INCREASED RECOGNITION AND UPTAKE OF TSM

MAC continues to help build capacity within the global mining industry by sharing its expertise in sustainable mining practices. One of the most effective ways MAC and its members have been doing this is by freely sharing the *TSM* initiative with mining associations in other countries that are seeking tools to improve the environmental and social performance of their mining industries.

In 2015, MAC achieved an important milestone with the Finnish Mining Association's adoption of *TSM* - the first time a mining association outside of Canada had officially signed on to the program. In 2016, the Cámara Argentina de Empresarios Mineros (CAEM) followed suit and became the first Latin American jurisdiction to adopt *TSM*. And most recently, in February 2017, the Botswana Chamber of Mines became the first mining association in Africa to adopt the *TSM* program.

International interest in *TSM* continues to grow, and MAC is currently engaging with other governments, mining associations and responsible standards organizations across the globe.

We hope you enjoy the *2017 TSM Progress Report*.



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Chair of the *TSM* Governance Team



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