Mining Association of Canada
Towards Sustainable Mining

21ˢᵗ Meeting of the
Community of Interest Advisory Panel
SUMMARY REPORT

March 5, 2014
Toronto, ON

Towards Sustainable Mining
Vers le développement minier durable

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Executive Summary

Established in 2004, the Community of Interest Advisory Panel (COI Panel) is an independent multi-stakeholder group that monitors the Mining Association of Canada's Towards Sustainable Mining (TSM) initiative's progress and serves as an external source of knowledge and experience. This executive summary provides a brief account of the meeting held on March 5th, 2014 in Toronto, Ontario.

Connecting with Specific Communities of Interest

On March 4th, the day before the meeting, the Panel engaged with two specific communities of interest: the faith-based community and the finance community. Panel Member Joy Kennedy invited the faith-based community to meet with representatives from the mining industry to engage in a dialogue on key issues of interest; and Stephen Kibsey invited a senior financial industry representative to share insights with the Panel before dinner on the mining industry from the economic and financial perspective. The Panel agreed that these types of issue-specific events should continue to be encouraged as they can lead to valuable outputs and opportunities for improving relations within and around the mining industry.

TSM and Panel Updates

There was only one new member in attendance to the March 5th meeting; Leanne Hall (Noront) fills the seat for the Prospectors and Developers Association of Canada (PDAC). Several guests were also in attendance including a representative from the Norwegian Mining and Quarrying Industries. The Panel will continue to work towards filling the vacancies in the Panel membership for the Aboriginal and Expert categories.

Summary of Key Topic Areas

The meeting agenda, developed in collaboration with the Panel, focused on three substantive items, summarized below.

❖ Community Development

What is the meaning of community? Panel Member, Alan Penn shared some of his views on the complexity of the meaning and assumptions behind the term community and community of interest. The Panel uncovered good practices and challenges in understanding and working with communities across various regions and felt that Impact Benefit Agreements (IBAs) might be an area that warrants further discussion.

IAMGOLD and Plan Canada presented the 'Beyond Zero Harm' Framework which aims to measure and demonstrate the changes in well-being of a mine-affected community and to create a strong and objective evidence-based foundation for enhanced decision making on how to improve community social well-being. The Panel provided critical feedback and stressed the importance of long-term collaborative dialogue with stakeholders and the community.

❖ International Social Responsibility: Grievance Mechanisms

The Panel had the opportunity to provide comments on a draft report prepared by MAC International Social Responsibility (ISR) Committee and the Office of the Extractive Sector CSR Counsellor, entitled "A Practical Design and Implementation Guide for Site-Level Community Response Mechanisms in the Resource Development Industry". The Panel provided useful feedback which will help to improve the guide and noted the importance of involving the community in the process design and implementation of the site-level community response mechanism.

❖ <u>Water</u>

Water has been an issue of interest for the Panel for many years. MAC shared the results of a literature review on water-related initiatives that is being used to help inform MAC's work on water. Panel members agreed that water was a material issue that should somehow be acted on and/or reflected in TSM and suggested three possible avenues: first, MAC could be more involved on the policy/legislative side by offering more thought leadership; second, the Panel agrees with MAC's stance that a protocol should avoid duplication of efforts with existing initiatives and third, MAC should consider how it may involve communities in its work on water, as more work could be one on communication, engagement and monitoring.

Conclusion

Moving forward, the Panel will continue to focus on key issues such as community development, both domestically and abroad, water, and the value of TSM. In general, Panel members appreciate the open dialogue and networking with colleagues – and not shying away from thorny or uncomfortable issues. In the future, the Panel would like to focus more on providing outputs – such as providing specific recommendations to MAC and enabling issue-specific gatherings between industry representatives and specific communities of interest such as the investor community and faith-based communities.

Summary of Key Outputs/Results from March 2014 COI Panel Meeting

✓ Broader and deeper understanding on the meaning of 'community' which will help the Panel dive into specific cases

✓ Critical feedback that will be incorporated into a revised version of the *Implementation Guide for Site-Level Community Response Mechanisms in the Resource Development Industry*

✓ Input into the Beyond Zero Harm Framework for measuring the social impact a mining operation has on a community

✓ Agreement that TSM should include a component on water, along with suggestions on where MAC may be best suited to support

1   Introduction

The Mining Association of Canada's (MAC) Community of Interest (COI) Advisory Panel ("the Panel") met on March 5, 2014 in Toronto, Ontario. The Panel, established in 2004, monitors the Towards Sustainable Mining (TSM) initiative's progress and serves as an external source of knowledge and experience. [1] Its mandate is to:

- Help MAC members and communities of interest improve the industry's performance
- Foster dialogue between the industry and its communities of interest
- Help achieve the goals of TSM

This report presents a summary of discussions at the March 2014 Panel meeting, including decisions on the work of the Panel and recommendations to MAC.

Any dissenting views have been identified and recorded. Meeting presentations are appended to this report; content contained in meeting presentations is not duplicated in the body of this report.

2   Summary of Action Items

Below is a summary of action items arising from the COI Panel meetings. Action items are reported until complete.

ACTION ITEMS					
#	**ITEM**	**LINK TO REPORT**	**RESPONSIBLE**	**TIMELINE**	**STATUS** (as of June 2014)
#1 – March-14	MAC should consider inviting an elder from the traditional territory	4.1	MAC	Before Fall meeting	In progress
#2– March-14	MAC will share the new TSM video with the Panel via email to get feedback	4.4	MAC	Spring 2014	Complete
#3– March-14	MAC will make revisions to the Community Response Mechanism guide to address concern from the Panel	6	MAC	Spring 2014	Complete
#4– March-14	Revisions to PVR process will be discussed in more detail in the PVR Working Group meeting.	8.3	MAC/Stratos / PVR Working Group	Spring 2014	Complete
#5– March-14	Provide more information on time commitments for each Working Group	8.4	Stratos	Spring 2014	Complete
#6– March-14	MAC will provide suggestions on how to move forward on Honoraria Expenses.	8.5	MAC	Spring / Summer 2014	In progress
#7– March-14	Consider adding a "so what" to the end of each discussion section so that action items are identified.	9	Stratos	Before Fall meeting	In progress

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[1] For more information on MAC's COI Panel, visit: http://www.mining.ca/site/index.php/en/towards-sustainable-mining/community-of-interest-advisory-panel.html

3   Tuesday evening: Dinner with Stephen Walker (RBC)

At the Panel's request, MAC invited Stephen Walker (Vice Chairman of Investor & Treasury Services and Head of Global Credit at Royal Bank of Canada) to share insights with the Panel on the mining industry from the economic and financial perspective. His informal talk on Tuesday, March 4th helped the Panel members understand how sustainability issues fit into the current economic context of the industry. A summary of some of the discussion points are captured below.

- 2013 was a good year for base metals, but a bad year for precious metals, and particularly bad for junior mining companies with very little investment in the sector.
- The mining cycle is much longer than the oil and gas cycle. The development cycle for mining often lasts 10-15 years, whereas oil and gas may be only 4-5 years.
- In general, China's economy is contracting as well as some of the emerging economies in resource development (e.g., West Africa), however, the American economy is beginning to rise. The investment community is split in terms of what the outcome will be for the mining industry.
- The Panel members were interested in learning about how the financial industry considers social license and sustainability issues. While the financial industry is aware of the growing social license issues and their impact on resource development, it is really only once an issue becomes prominent (e.g., in the news) that the financial industry takes action (e.g., markets act on bad news very quickly). Stephen also noted that during times of constraint, governments often lower standards which can lead to a negative impact on industry's social license.
- Water is becoming a strategic resource, and water issues, in particular, are becoming increasingly important for the investment community, particularly for water stressed regions where the scarcity of water will impact their business and surrounding communities.
- The Panel members and Stephen Walker also discussed the recent transparency legislation around payments to governments. While the recent government legislation is a step in the right direction, all agreed that more could be done in this area, including having the SEC play a stronger role to support transparency initiatives.

Over dinner, the Panel informally discussed some of the observations and comments from the discussion. All agreed that the format and context setting presentation was beneficial for the Panel.

4   Welcome and Introductions

4.1   Introductions

Michael van Aanhout, the Panel facilitator, and Ben Chalmers, Vice-President of Sustainable Development at MAC welcomed everyone to the March 2014 COI Panel meeting.

Chief Earl Klyne was invited to formally welcome the Panel and provide acknowledgement to the traditional territory of the Mississauga. He noted that in future meetings, <u>MAC should consider inviting an elder from the traditional territory</u>. Peter Read was then invited to provide a safety message – a custom that is well ingrained in the mining industry. Peter's message was to avoid working alone, especially in remote locations, and to always have a point of contact who knows your whereabouts.

The Panel Facilitator invited everyone to a roundtable of introductions. Leanne Hall from Noront was the only new Panel member at this meeting. Leanne fills the seat for the Prospectors and Developers Association of Canada (PDAC). Glen Koropchuck (De Beers), Mark Travers (Vale) and Dan Benoit (Metis National Council) were unable to attend. Special observers for the meeting included: Craig Ford (former Panel member and current President of NBP Consulting), Shirley Neault (Hudbay and current Chair of the TSM Initiative Leaders) and Johanne Senécal (Vice President, Government Affairs and Communications at MAC). Selected guests also joined for specific parts of the meeting including: Elizabeth Gammelsæter from the Norwegian Mining and Quarrying Industries[2]; Aaron Steeghs (IAMGOLD) and Bella Lam (Plan Canada) for the morning session on the Beyond Zero Harm Framework; and Erica Bach from the Canadian Office of the Extractive Sector Corporate Social Responsibility (CSR) Counsellor for the afternoon session on site-level grievance mechanisms.

A list of all attendees is provided in the Appendix.

4.2   Review of Objectives and the Agenda

The Panel facilitator reviewed the objectives of the Panel as articulated in the Panel terms of Reference, reinforcing the broadened scope of the renewed panel to advise the industry on sustainability-related issues.

The Agenda, developed in collaboration with the Panel, focused on three substantive items (Community Development, Grievance Mechanisms and Water).

4.3   Panel Renewal Update

The Panel facilitator reminded everyone that there was still a vacancy for the Aboriginal category since Barrie Ford left the Panel after the October 2013 meeting. MAC is currently canvassing the Panel and industry members for nominations to fill this vacancy. Ben also reminded everyone how the Expert category can be used to fill gaps in the Panel on an as needed basis. For instance, Craig Ford was invited to the meeting through this mechanism as he is an expert in grievance mechanisms. In the future, the Panel can decide how it would like to use these Expert category vacancies.

4.4   Approval of the Reports

The Panel approved the October 2014 meeting report and post-verification review (PVR) report without additional amendments.

It was noted that the following action item would be marked as complete, although the development of communications materials is an ongoing task for MAC:

"#5 – March 2012 - Ensure new MAC TSM communications materials are designed in such a way as to engage with non-MAC members in regional hot spots and to support these companies in improving their environmental and social performance."

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[2] Ms. Gammelsæter was invited by the Panel to attend as Norway is interested in the TSM program.

MAC has been in discussions about TSM with provincial and territorial mining associations that have expressed an interest (e.g., the adoption of TSM by the Mining Association of British Columbia (MABC)) and reached out to the financial sector, with help from Panel member, Stephen Kibsey.

As discussed at the last Panel meeting, it was noted that MAC is currently working on a new TSM video. MAC will share the video with the Panel again via email to get their feedback.

4.5   Recap from MAC's meeting with the faith-based groups during PDAC

Panel Member Joy Kennedy was invited to share her perspectives on a meeting that was held the day before (March 4, 2014) between representatives of the mining industry and the faith-based community. The meeting came out of an informal conversation at the October 2013 COI Panel Meeting between Joy and MAC that identified that it had been a long time since there had been dialogue between the mining industry in Canada and the faith-based community. The meeting was held over two hours, in a neutral location, with 19 representatives from both sides. The purpose of the meeting was to have an initial airing of particular issues that were on people's minds. From the faith-based community, those issues included: indigenous rights including Free Prior and Informed Consent (FPIC), dialogue and reconciliation, conflict resolution (root causes) and responsible investment. The facilitation technique used, which was praised by Pierre Gratton, President and CEO of MAC as a powerful approach, was that each side identified someone to listen and provide feedback to the other group on what they had heard. While no formal meeting report was issued, it was agreed that the dialogue between the mining industry and the faith-based groups should continue. Feedback from the meeting was that there was a great deal of respect, and acknowledgement of differences on both sides and that both groups better understand the scope of the issues in which the conversations will continue.

4.6   Developing 'outputs' for the COI Panel

The facilitator reminded the Panel of the ongoing conversation regarding developing more tangible COI Panel 'outputs'. As discussed during the Agenda Setting teleconference held earlier in January, some members of the Panel were unsure of having specific 'statements' to MAC from the meeting, however, it was suggested that the meeting with faith-based groups is one example of a tangible 'output' of the COI Panel.

5   Community Development and Beyond Zero Harm

5.1   What is the meaning of 'community'?

One of the outcomes of the January Agenda Setting teleconference was the suggestion more time should be spent on discussing the meaning of 'community'. Members of the Panel invited Alan Penn to share some of his views on the complexity of community based on his experience.

Prior to the meeting, Alan shared a background note on "Some reflections on the concept of 'community' and on the theme of community relations in the Canadian Mining Industry". During the meeting, he shared some of the key elements, summarized below:
- It is important for COI Panel members to critically review the meaning and assumptions of the word 'community' and the expression of 'communities of interest'
- The relationship between the mining industry and communities is a two-way street

- • Understanding the historical and geographic make-up of a community is integral for understanding its context
- • Communities (both Aboriginal and non-Aboriginal) are not isolated from each other and must be understood in relationship to one another
- The mining industry is shifting from long-standing "mining camps" (e.g., Sudbury and Fort McMurray) to more remote, fly-in areas that draw from an Aboriginal workforce. In turn, Aboriginal people are now trying to find ways to enter into the industry
- Impact and Benefit Agreements (IBAs) are increasingly being used to negotiate agreements between communities and companies; however, the contents and processes used are not well understood

"The relationship between the mining industry and communities is a two-way street."

Before opening up the conversation to the Panel, the facilitator made the point that there has always been tension with TSM between discussing issues at the general and specific levels. Alan's overview helps to map out the various ways in which to discuss 'communities', and enables the Panel to dive into specific topics.

The Panel offered the following comments and questions:
- *Thoughts on Impact Benefit Agreements*: While there is evidence that IBAs have improved community relations and enhanced community benefits, some Panel members wondered if IBAs have become a template, driven by lawyers and consultants, as opposed to a creative and involved process for engaging communities, understanding community needs and addressing environmental issues in a meaningful way. There was also concern around the transparency surrounding IBAs. One guest noted that this can be a challenge in practice due to the negotiations with surrounding and affected communities. While a few Panel members noted that IBAs are often seen as a relationship building tool with communities, others cautioned that they should not be used as the mechanism for consultation. One Panel member noted that the short-term nature of the Chief elections in Aboriginal communities also plays a factor as Chiefs want to push forward with agreements for their communities during the time that they are in power. From a legal point of view, one of the challenges with IBAs is that if the mining operation changes owners, the agreement often changes. One Panel member commented that the IBA is a means to an end – not the other way around. While there was some discussion on the need to dive into the specificities of the IBA, others noted that it is important to also understand them from the broader public policy point of view.
- *Focusing on Aboriginal employment* –Tapping into the Aboriginal workforce is critical for building relationships and improving communities. One Panel member pointed to the success of training programs currently in place in the Ring of Fire to help build capacity in that remote area.
- *Aboriginal perspective on 'community'* – One Panel member explained how his 'community' now comprises several First Nations and municipalities as it includes everyone who is involved in protecting the land. Due to mistakes made in the past, everyone now sits at the same table to discuss impacts on the land and how benefits should be distributed. He advised that mining companies need to work at the municipal level and treaty area, not just with individual First Nations. He noted that the TSM model is important for connecting Aboriginal communities with the industry. Ideally, communities will start asking companies to take on TSM.
- *Financial perspective* – One Panel member noted that from an investor perspective, community issues are generally not discussed in a material way unless there is a risk to the business.

- *Addressing imbalances between communities and industry* – One Panel member explained how it is important for the industry to recognize the power imbalance between communities and corporations in order to build trust. A corporation, with its organizational structure, common language, resources and capacity has an advantage over communities. Communities are particularly at a disadvantage when mining operations shift from junior to major and communities do not have the resources and capacity to deal with the larger entity.
- *Managing divergent opinions* - How does the mining industry handle diverging views within a community? How do you engage those who are critical and who do not want to engage in the formal process?
- *Engaging partners to support communities* – One Panel member explained how civil society plays an important role in bringing community issues to the forefront. As members of 'Communities of Interest' – she reminded everyone of their importance in helping the industry be accountable.

In summary, while the Panel chose to take a more unstructured approach to this section of the Agenda, the conversation was beneficial as the Panel uncovered good practices and challenges in understanding and working with communities. The topic of IBAs took centre stage for much of the discussion and may lead to more in-depth discussions on this topic in future Panel meetings.

5.2   Beyond Zero Harm

Aaron Steeghs, Manager, Corporate Social Responsibility at IAMGOLD, and Bella Lam, Plan Canada, presented the Beyond Zero Harm Framework. This presentation was an update of Bob Carreau's presentation on IAMGOLD's Net Positive Impact Framework shared at the previous March COI Panel meeting (See March 2013 Report here). Aaron explained how the industry is still grappling with how to measure the social impact a mining operation has on a community and that better data is required to improve decision-making. The Beyond Zero Harm Framework is a Community Well-Being Framework to collaboratively measure and report on the well-being of communities. Initiated by IAMGOLD and developed by a team of NGOs, mining companies, academics and experts, the Framework uses universally accepted 'social change' indicators around common development areas such as Education, Health, Economics, Living Standards, Security, etc. The objective of the Framework is "to measure and demonstrate the changes in well-being of a mine-affected community with the purpose of creating a strong and objective evidence-based foundation for enhanced decision making on how to improve community social well-being." The Framework will be open source (available to all) and is based on the use of 'core indicators' (pre-determined, common indicators that are measured globally, e.g., OECD Better Life Index, Gender Status Index, etc.) and 'site-specific indicators' (not pre-determined, unique to each community, participatory selection process).

It was made clear that the Beyond Zero Harm Framework is not a mining-impacts framework that would allow the industry to attribute community benefits to the investments and work made by the mining company. As he explained, whether the community is improving or regressing – the mining company will be *seen* as accountable so best to understand how to improve decision-making to make a positive impact. The next step will be developing guidance on implementation of the Framework, specifically, on establishing the baseline research, and interpreting the results with communities. (See the COI Panel March 2014 Panel Meeting Presentations for more detailed information on the Framework).

The Panel shared the following views, questions and comments:

- *Unpacking the non-attribution logic* – Some Panel members wondered how the Framework would help with the skeptics, considering that the Framework would be non-attributable to the mining companies. (Note, one of the drivers was "How do we convince our skeptics that mining can play a positive role in the social development of communities?"). Others pointed out that from a risk perspective, attribution does not matter. "If you do not understand your community and the characteristics of the community, you put the company at risk." Several people commented that attribution will always be a point of contention. As one Panel member remarked, there are a few 'rabbit holes' that will need to be thought through and avoided.
- *Costs and resources associated with implementing the Framework* – A few Panel members wondered about the costs and capacity required to implement the Framework, knowing that it may be a hard sell to a company Board. The internal capacity to do the work would be challenging, especially for junior companies. The frequency of the assessment should also be a consideration.

  Many Panel members commented that the real value of the Framework is that it starts a long-term, collaborative conversation on how to improve social well-being at the local level.

- *Applicability of the Framework* – While it was explained how the indicators selected for the Framework are suited for the Global South, many agreed that the process used for the Framework is applicable in the Global North – and for any community, but may need modification.
- *Value of long-term collaborative dialogue* – Many Panel members commented that the real value of the Framework is that it starts a long-term, collaborative conversation on how to improve social well-being at the local level.
- *Setting priorities with communities* – One Panel member agreed that the participatory approach for site-specific indicators was very important as it should be the communities who set the priorities.
- *Involving government and academia* – Considering that mining operations have finite time horizons, some Panel members commented that other stakeholders should be involved in the process to ensure that the data is stored appropriately after the mining company leaves. Some Panel members wondered about the role of government (particularly in providing data) and academia in implementing the Framework.
- *Value of the core indicators* – Some Panel members questioned the need for the core indicators. If the purpose is to stimulate dialogue with the community, the rolled-up indicators may be too aggregated to be useful.

The Panel facilitator summarized the dialogue in stressing the importance of long-term collaborative dialogue with stakeholders and the community. While TSM is important from a technical perspective as it is clear that "you manage what you measure" – it is the process of engagement and relationships that are strengthened by learning from each other that is important.

6   International Social Responsibility: Grievance Mechanisms

There is a large spectrum of grievance mechanisms from site-level (e.g., community response mechanisms) to international-level mechanisms (e.g., international mediation). Ben explained to the Panel that the grievance mechanism project is focused on one specific area: mine-site community response mechanisms. As described in the Panel briefing materials, the MAC ISR Committee and the Office of the Extractive Sector CSR Counsellor are in the process of developing a brief practical guide to

address common implementation challenges that have hindered the broader adoption of site level mechanisms. Craig Ford, who formerly sat on the COI Panel as an industry representative for Inmet, is an expert on grievance mechanisms and prepared a first draft of the guide. The guide has now gone through one round of edits to incorporate comments received and MAC is preparing to circulate the draft more broadly for independent expert review.

Stemming from the Agenda Setting meeting held in January, Panel member Doug Olthuis was invited to provide an opening to the discussion. After providing a specific labour related example, he shared his perspectives on why grievance mechanisms were important, particularly in areas where communities feel that they have been harmed and added that from his perspective, site-level grievance mechanisms were not as interesting as mechanisms at higher levels that can be more effectively enforced.

Panel members offered the following comments and questions:
- *Focus on site-level versus national-level grievance mechanisms* – Pierre Gratton informed the Panel that while MAC is focused on a specific site-level community response mechanism project, MAC is still involved and engaged at other levels of the grievance mechanism spectrum. Craig added that it is important to focus on grievances at the mine site level since grievances are most effectively and easily addressed as close to the community as possible. If issues can be resolved locally, they will not need to be escalated to a national and/or international level mechanism at which point they become far more difficult for all parties to resolve. . In addition, MAC members have made it clear that mine-site grievance mechanisms are hard to implement and this is an area where more guidance is necessary.
- *Understanding the scope of the guidelines* – One Panel member wondered whether employees were included in the scope of the community response mechanism implementation guidelines and whether the boundaries were clear on when local police should be involved. Craig and Ben responded that employee grievances are not in the scope as they are dealt with through separate mechanisms within the company's human resources department and that local authorities should be involved for any issues that deal with violations to the law. Another Panel member wondered if members of PDAC were involved in the development of the draft implementation guide indicating that this would likely be helpful for exploration and junior companies. Craig responded that PDAC members often do not have grievance mechanisms in place. Another suggestion was to include more information on the barriers of implementation (e.g., lacking resources, capacity, bureaucracy, etc.)
- *Involving the community in the process design and implementation* – There was plenty of discussion around how the community should be engaged throughout the process. Seeking multiple perspectives, especially from external parties, is a cornerstone of the 'fact-finding' aspect of grievance mechanisms. Craig also pointed out that mining companies should engage the community in the design of the community response mechanism process.

  There was plenty of discussion around how the community should be engaged throughout the process.

- *Ensuring access to other mechanisms* – One Panel member felt that the language in the draft regarding making the entire range of available mechanisms known to a complainant at the outset of registering a formal concern could be misinterpreted. <u>MAC will make revisions to the guide to address this concern</u> in the draft. As another Panel member observed, there are power imbalances that mining companies should be aware of. For instance, some people with dissenting views may not want to engage in formal corporate processes for fear of reprisal. Several people agreed that mining companies should be

fully transparent in communicating the range of mechanisms available to the community at the outset.

- *What defines an issue? What triggers the community response mechanism?* – Some Panel members wondered how an issue was defined, and what would happen if the company and the community had divergent opinions on whether or not a concern was labelled an 'issue'. Ben shared the three primary questions relating to any community concern or incident that must be answered to determine the type of response required:

  1) Is there a specific issue identified in the community concern or incident, regardless of how the company learns of the issue?
  2) Is there an identifiable complainant?
  3) Is there an expectation for a formal response from the complainant or from the community in general, either explicit or implied?

  Even with these guidelines, Ben made it clear that an issue can trigger a formal response outside of the formal grievance mechanism process. Erica Bach from the CSR Counsellor's Office also noted that understanding which issues should be dealt with at the local level and which should be dealt with at the national or international level is not always clear. In general, issues should go through the various stages so that only larger issues that cannot be dealt with locally go to the top.

- *Understanding conflict of interest* – A few members pointed out that mine-site community response mechanisms are subject to conflict of interest – an area that may need further guidance in the draft report. Knowing when to involve a third party is critical for those on the ground.

The Panel facilitator thanked the Panel for their comments and noted that the document would be revised based on this feedback. Pierre remarked that this work on grievance mechanisms symbolizes an evolution within TSM, as this topic would not have been broached five years ago.

7   Water

Before the MAC presentation on water, the Panel facilitator shared some key takeaways from the September 2009 COI Panel Meeting when the Panel had a scoping discussion on water and mining. Most notably, the Panel remarked that water management and strong performance on water-related issues is essential to the industry's social licence to operate.

Ben provided a brief presentation on the results of the literature review on water-related initiatives, included in the briefing materials, that is being used to help inform MAC's work on water. Ben explained how the review was meant to help understand the landscape of water initiatives and ensure that TSM does not duplicate any efforts.

In general, Panel members agreed that water was a material issue that should somehow be acted on and/or reflected in TSM. A recap of the discussion is included below:

- *Federal and provincial/territorial level* – While one Panel remarked that water issues are generally more important at the provincial/territorial level than the federal level, several noted that considering how important water is to the general public, there is room for industry to play more of an advocacy and thought leadership role where policy is lacking. Watersheds and watershed management are issues that require more attention. Government's capacity to regulate and enforce is also a concern that was raised.

Panel members agreed that water was a material issue that should somehow be acted on and/or reflected in TSM.

- *TSM and water* - Some Panel members expressed interest in having a TSM protocol on water to help manage the issue in a more rigorous way. Another suggested that water be incorporated into existing protocols in some way (e.g., map out stakeholders in the watershed). It was noted that MAC members are generally more interested in having water management support for international operations in water scarce regions, whereas there is less demand for domestic operations (where MAC members are required to report on TSM.)
- *Collaborating and communicating with communities* – Bringing in communities to help manage and monitor watersheds was a recurring theme in the dialogue. As one Panel member shared, water is the number one issue and through partnering with universities and experts, his community is being trained to manage and monitor water in ways that can support water management.

The Panel facilitator summarized the three areas of focus from the discussions. First, MAC could be more involved on the policy/legislative side by offering more thought leadership. Second, from a TSM protocol perspective, the Panel agrees with MAC's stance that a protocol should avoid duplication of efforts with existing initiatives, although there is room for improvement around watershed planning and groundwater use. And third, MAC should consider how it may involve communities in its work on water, as more work could be one on communication, engagement and monitoring.

8   TSM Update and Panel Business

8.1   TSM Work Plan

Ben provided an update on TSM activities from October 2013 to March 2014. In brief: MAC is currently working on developing TSM equivalencies with other standards to help reduce the reporting burden; revising existing protocols to ensure there is consistency with the terminology and definitions used between protocols; and preparing for the upcoming TSM Awards that will be held this year during the CIM conference. Ben paid special thanks to those Panel members on the Awards Committee for the hard work they put in for selecting the winners.

8.2   Fall 2014 Meeting

MAC suggested that the Panel visit Val-d'Or, Quebec for the October 2014 Panel meeting based on a number of factors including: the Quebec Mining Association's consideration of the adoption of TSM; the fact that the Panel has already traveled to B.C., Alberta, and Ontario, and that a number of MAC members have operations in the region. The Panel was fine with this location, however, a couple of Panel members noted that next time MAC should think of visiting a location that is not as well established as the Panel's previous visits have all been at established camps (e.g., Sudbury, Fort McMurray and Cranbrook).

> **Details for Fall 2014 Panel Meeting**
>
> *Date*: September 30 - October 2, 2014
> *Location*: Val-d'Or, QC
>
> *Companies undergoing PVR*:
> - Barrick
> - ArcelorMittal

The tentative date for the meeting is September 30 to October 2, 2014.

8.3 Selecting the Post-Verification Review Companies

After some discussion, the Panel selected Barrick and ArcelorMittal as the two mining companies to undergo Post-Verification Review, with Syncrude as a backup option. The Panel facilitator noted that the PVR process will be discussed in more detail in the PVR Working Group meeting.

8.4 Working Group Opportunities

The Panel facilitator walked through the four Working Group options (listed below) and noted that more information on time commitments would be circulated after the meeting.

1. Panel Statement
2. Post-Verification Review
3. Awards
4. Nominating Committee

8.5 Honoraria Expenses

After walking through Review Guidelines for Honoraria (Criteria for Provision of Honoraria and Criteria for Reimbursement of Expenses) the Panel engaged in a discussion around honoraria and time commitment expectations. Pierre kicked off the conversation by noting that MAC is conscious that the Panel members' workload has increased due to longer meetings and more extra-curricular activities. While MAC needs to balance its budget accordingly, he made it clear that they also want to know the Panel members' expectations and what they thought was fair.

Many Panel members commented that they were thankful to have this conversation. Several Panel members commented that the policy should not just include time spent on the face to face meetings as many Panel members do much more through the Working Groups. One suggestion was that MAC compensate time accordingly - if a Panel member is on three Working Groups, then that person should be compensated for the time required to fulfill that position. Nevertheless, boundaries need to be set. As one long-standing Panel member remarked, the Terms of Reference were created to set boundaries on the time required to be on the Panel, which requires discipline on both sides. While the value the Panel provides could be enriched if there was more time to dive deeper into the issues (in between meetings as well), more planning and budget would be required. MAC will provide suggestions on how to move forward.

9   Closing and Meeting Evaluation

During the closing, each Panel member had the opportunity to share their thoughts on the meeting and topics they would like to further explore during the October meeting. Prior to the closing roundtable, two of the industry members commented that there is no current guide for the community and aboriginal engagement protocol.

"[The Panel] used to be more of an information download, now it feels like a working meeting."

The following is a summary of the roundtable and meeting evaluations[3]:

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[3] Ten Panel members responded to the Meeting Evaluation Forms, and XX completed the form online.

- *Suggested themes to continue at October 2014 meeting:*
    1) Communities –Several Panel members expressed interest in continuing this topic. One suggested that the Panel look at engagement in Val d'Or through the lens of the community. One Panel member wondered what the 'thorny issues' were in Val d'Or and advised the Panel to not shy away from them.
    2) Water – Since the Panel only scratched the surface of the topic, a few commented on how it would be useful to continue the discussion.
    3) Value of TSM – There was widespread interest in discussing the TSM value proposition for mining companies, communities and across the industry value chain. One Panel member was also interested in discussing how the human resource aspect fit into the TSM program.
- *Most enjoyable parts of the meeting included:*
    o The Tuesday evening discussion with Stephen Walker from RBC and Panel dinner
    o Building international relationships (i.e. Having a representative from Norway join the meeting)
    o Great open dialogue and networking with colleagues – and not shying away from thorny or uncomfortable issues
    o All three substantive topics (community, water, and grievance mechanisms) were identified as enjoyable conversations
- *Suggestions for improvement*
    o Considering that representatives from Finland and now Norway have been invited as observers on the Panel, MAC should consider inviting representatives from Latin America or Africa
    o The large 'U' shape table set up made it difficult for people to see each other on the same side of the table – next time try an oval or circle
    o Leaving time for the organizational/business matters of the Panel is important and one member was glad that the Panel caught up on time because those issues should not be secondary
    o One person commented that the Beyond Zero Harm discussion had a little too much focus on industry thoughts rather than COI Panel members
- *Meeting expectations*
    o The meeting met all of the Panel member's expectations. Several commented on the value of the meaningful dialogue which arose from the mix of structured and non-structured discussions; the relaxed pace of the dialogue; and sometimes difficult conversations. One member mentioned the value of the Agenda Setting call held in January to identify and scope the issues before the meeting.
- *Meeting organization*
    o All respondents felt that the meeting was well organized. One member suggested that a "so what" be added to the end of each discussion section so that action items could be identified. The Panel facilitator will take this into consideration.
- *Meeting facilitation*
    o The respondents indicated that the facilitation was either "very good" or "excellent". Similar to the point made above, one wondered how to drive more action and progress towards the goals.
- *Meeting materials*
    o The meeting materials were rated between "good" and "excellent". One commented on how useful the summary notes were, especially when a lot of material is provided. Another suggestion was to deliver the material more in advance of the meeting. From a

technical point of view, the index on the electronic documents was useful, and one suggested depositing the material on a central site, instead of passing information via email.

- *Expressing interest*
    - o Majority of the respondents felt that they had adequate opportunity to express their interests. One person commented that they try to summarize the most significant points.
- *Overall opinion*
    - o All respondents enjoyed the meeting overall, rating it between 'very good' and 'excellent'.
    - o The Panel is becoming more influential and 'outcomes' focused. Outcomes need to be better defined and shared more broadly.
    - o As one Panel member explained "[The Panel] used to be more of an information download, now it feels like a working meeting."

Appendix A: List of Participants

TSM Community of Interest (COI) Advisory Panel
2014 Membership List

Name	Organization
Dan Benoit (REGRET)	Métis National Council
Victor Goodman	Campbell River Economic Development Corp.
Joy Kennedy	Independent
Stephen Kibsey	Caisse de Dépôt et Placement du Québec
Chief Earl Klyne	Seine River First Nation
Nathan Lemphers	Independent
Philip Oxhorn	Institute for the Study of International Development, McGill University
Alan Penn	Cree Regional Authority
Claudine Renauld	Sandoz Canada Inc.
Doug Olthuis	United Steelworkers
Alan Young	Canadian Boreal Initiative
Leanne Hall	Noront Resources
Pierre Gratton	Mining Association of Canada
Louise Grondin	Agnico Eagle Mines Ltd.
Glen Koropchuk (REGRET)	De Beers
Peter Read	Syncrude Canada Ltd.
Mark Travers (REGRET)	Vale

Additional Attendees	Organization
Michael Van Aanhout	Stratos (Facilitator)
Ben Chalmers	Mining Association of Canada
Tara Shea	Mining Association of Canada
Jane Porter	Stratos (Rapporteur)
Craig Ford	NPB Consulting
Shirley Neault	Hudbay Minerals (Chair of TSM Initiative Leaders)
Johanne Senécal	Mining Association of Canada
Elizabeth Gammelsæter	Norwegian Mining and Quarrying Industries
Aaron Steeghs	IAMGOLD
Bella Lam	Plan Canada
Erica Bach	Canadian Office of the Extractive Sector Corporate Social Responsibility (CSR) Counsellor