

- Media Backgrounder -

New *Towards Sustainable Mining* Protocol to Enhance the Canadian Mining Sector's Leadership in Climate Action

Backgrounder

The Mining Association of Canada's (MAC) <u>Climate Change Protocol</u> is the newest addition to its <u>Towards Sustainable Mining</u> (TSM) initiative and will be phased-in over the next two years, with public reporting scheduled to begin in 2023. The new protocol includes a set of performance indicators to improve the mining sector's management of climate-related risks and opportunities, including mitigation and adaptation strategies, target-setting and reporting. This protocol raises the bar for industry performance related to climate change, ensuring robust corporate governance and strategies related to climate action as well as comprehensive management systems at mine sites to ensure that companies can meet their climate-related targets.

MAC's Commitment to Climate Action

MAC supports climate action that is consistent with the ambition of the Paris Agreement to limit global warming to well below 2 degrees Celsius (above pre-industrial levels) to ensure the long-term sustainability of our shared planet. As an industry that provides the key inputs for low-carbon technologies, including electric car batteries, wind turbines and solar panels, Canada's mining sector occupies a unique position as an energy intensive supplier of the materials needed for a greener future. While mined materials are essential to the technologies required in the fight against climate change, it is just as important that they be sustainably sourced.

In 2016, MAC and its members released <u>Principles for Climate Change Policy Design</u>, notable for its support for a broad-based price on carbon. The Principles were developed to inform the federal government as it drafted the <u>Pan-Canadian Framework on Clean Growth and Climate Change</u>. The document outlines elements of a successful carbon price regime: one that leads to meaningful emissions reductions while simultaneously protecting emissions-intensive and trade-exposed sectors, like the mining industry, and being sensitive to the unique circumstances faced by Canada's remote and northern regions.

About TSM's new Climate Change Protocol

MAC's new *TSM Climate Change Protocol* replaces the *TSM Energy Use and GHG Emissions Management Protocol*, last updated in 2013, and provides a measurable framework to help our industry implement our collective commitment to the ambition of the Paris Agreement. The protocol and associated guidance helped limit impacts to the environment and reduced operational costs at the mine-site. In order to ensure the mining industry is held to continually higher standards of performance, and in response to our Community of Interest Advisory Panel's <u>advisory statement on climate change</u>, the new protocol positions Canada's mining industry as a leading partner in the fight against climate change.

The new *TSM Climate Change Protocol* is a tool to support companies in integrating climate change considerations in their operations in a more holistic manner. The protocol is comprised of three performance indicators:

- 1. Corporate climate change management
- 2. Facility climate change management
- 3. Facility performance targets and reporting

The TSM Climate Change Protocol improves on the Energy Use and GHG Emissions Management Protocol in a number of ways, including:

- Stronger requirements for energy use and GHG emissions management, performance, and reporting at the facility level, setting a new bar for best practice.
- A new indicator on climate change management at the corporate level to support companies in responding to the Recommendations of the Task Force on Climate-Related Financial Disclosures and in setting ambitious targets and actions in line with the goals of the Paris Agreement, including commitments related to net-zero emissions by 2050 (at Level AAA).
- Addressing climate change adaptation through incorporation of new requirements for facility-level management of physical climate-related risks and adaptation measures.

About MAC's new Climate Change Adaptation Guide

Adaptation to a changing climate is needed across all sectors of society, from municipal infrastructure, to transportation, to agriculture and forestry. Mining is no different, and it is important that there be solutions tailored to both the environments in which mines operate and the infrastructure on which mining depends. MAC's new *Guide to Climate Change Adaptation for the Mining Sector* provides best practice guidance for the mining industry to assess potential future climate changes at mine sites, assess potential impacts of those changes on mine operations and infrastructure, and develop plans to implement appropriate adaptation measures.

Funded through <u>Natural Resources Canada's Climate Change Adaptation Platform</u> and developed in collaboration with Golder Associates and Lorax Environmental Services, this document provides best practices and guidance for the mining sector on climate change risks and adaptation and will give mine operators the tools and knowledge needed to better plan for climate change adaptation in decision-making at all stages of mine life. As a result, mining operations will be more resilient to a changing climate and extreme weather events.

About TSM

TSM is a globally recognized sustainability program that supports mining companies in managing key environmental and social risks. TSM was the first mining sustainability standard in the world to require site-level assessments and is mandatory for all companies that are members of implementing associations. Through TSM, eight critical aspects of social and environmental performance are evaluated, independently validated, and publicly reported against 30 distinct performance indicators.

Participation in the TSM program is mandatory for MAC members' Canadian operations, with many voluntarily choosing to apply it to their international sites. This involves subscribing to the <u>TSM Guiding Principles</u>, which are backed by specific performance indicators that member companies publicly report on annually in <u>TSM Progress</u> <u>Reports</u>. Each Protocol is made up of a set of indicators that help mining facilities build, measure and publicly report on the quality of their management systems and their performance in key areas of mining activity. A full list of TSM's Protocols can be found <u>here</u>.

One of the key strengths of TSM is that mining companies are measured where the mining activity actually takes place — at the facility level. The results provide local communities with a meaningful view of how a nearby mine is faring. Mining operations annually self-assess their performance against each of the TSM indicators. For each indicator, they assign a letter grade that reflects their performance ranging from Level C to Level AAA. A comprehensive explanation of TSM's verification system, which involves several different layers of assurance including Self-Assessment, External Verification, a CEO Letter of Assurance and Post-Verification Review, can be found here.

Other jurisdictions are taking note of TSM's success, particularly given its strong standards and the way it is enhancing business and consumer confidence in the way companies mine. Since its inception, nine national mining associations on six continents have adopted TSM to improve performance in their domestic mining sectors and it is encouraging to see interest in sustainable mining standards growing at an increasingly rapid pace. TSM is currently being implemented in Finland, Norway, Spain, Argentina, Brazil, Botswana, the Philippines, and most recently, Australia, with more mining associations expected to sign on this year.

External Oversight and Multi-Stakeholder Input

TSM is overseen by an independent <u>Community of Interest Advisory (COI) Panel</u>, which shapes the program for continual advancement. The COI Advisory Panel is an independent, multi-interest group that oversees the TSM initiative and serves as a consultative body for the Canadian mining industry.

In 2016, the COI Panel released *Rising To The Challenge: Advisory Statement On Climate Change*, which proposed specific ideas and actions to assist MAC and its members in building on the progress they have already made in addressing climate change, and to help guide future endeavours with respect to planning, managing and operating mines and related activities. MAC addressed these recommendations in its <u>response</u>, which included additional commitments to support its goal in being a constructive partner in supporting a lower carbon future and consider climate change in a more holistic manner throughout TSM, including climate-related risk assessments and disclosures.

The Panel played a key role in TSM's design from the very beginning and was integral to the development of the *TSM Climate Change Protocol*.

Associated Links

To learn about climate change initiatives and innovations in Canada's mining industry, visit: https://mining.ca/our-focus/climate-change/climate-change-initiatives-and-innovations-mining-industry To download a copy of the *TSM Climate Change Protocol*, visit: http://mining.ca/towards-sustainable-mining/protocols-frameworks

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