

-Media Backgrounder-

Made-in-Canada World Leading Sustainable Mining Standard Officially Adopted by the Minerals Council of Australia

On March 3rd, 2021, the Mining Association of Canada's (MAC) <u>Towards Sustainable Mining</u> (TSM) program, a globally recognized sustainability initiative that supports mining companies in managing key environmental and social risks, was officially adopted by the <u>Minerals Council of Australia</u> (MCA), the national mining association representing one of the world's most significant mining sectors.

About Towards Sustainable Mining (TSM)

TSM is an award-winning performance system that helps mining companies evaluate and manage their environmental and social responsibilities. It is a set of tools and indicators to drive performance and ensure that key mining risks are managed responsibly at participating mining and metallurgical facilities. 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.

MAC established TSM in 2004 and participation in the program is mandatory for its members' Canadian operations with many also voluntarily choosing to use it at their international sites. This involves subscribing to *TSM's Guiding Principles*, which are backed by specific performance indicators that member companies publicly report on annually in *TSM Progress Reports*. TSM helps drive performance improvement where it counts — at the site level — and contributes to securing support for mining activities from the communities surrounding mining operations.

<u>TSM's performance protocols</u> focus on three core areas: Communities and People, Environmental Stewardship and Energy Efficiency. 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. Performance is evaluated across a set of detailed environmental and social performance standards, including climate change, tailings management, water stewardship, Indigenous and community relationships, safety and health, biodiversity conservation, crisis management and preventing child and forced labour.

International Adoption of TSM

Increasingly, other mining associations, governments, investors, and manufacturers are looking to TSM as global best practice in sustainable and responsible mining. In recent years, mining associations in Spain, Finland, Norway, Botswana, Argentina, Brazil, and the Philippines have adopted the program. With the addition of Australia, TSM is now being used by national mining associations in nine countries on six continents that have adopted the program to improve performance in their domestic mining sectors with more expected to sign on this year.

External Oversight

TSM is overseen by a network of national independent Community-of-Interest Panels consisting of Indigenous communities, environmental organizations, labour representatives, finance, local mining communities, social and faith-based organizations and academics. In addition to the Panel's role in the post-verification review process each year, it meets regularly with senior mining representatives to provide support and advice for TSM, identifies emerging issues for the sector, and encourages the mining industry to raise the bar in corporate responsibility. The MCA's TSM implementation will include the development of its own national Community-of-Interest Advisory Panel that will play an important role in external verification of TSM reporting.

Testimonials in Support of MAC's TSM Program

"Since its inception in 2004, TSM has focused on driving improvements in environmental and social performance at the mine site level. A recent priority for the Community of Interest Advisory (COI) Panel has focused on updating and enhancing the TSM Indigenous and Community Relationship Protocol, which requires companies in the mining sector to be more diligent in ensuring they are engaging, in an open, respectful and transparent manner, with Indigenous and other affected communities.

As a member of the COI Panel who was intimately involved in the drafting of the enhanced protocol, I look forward to seeing how it will further enhance the mining industry relationships with Indigenous communities, which are so fundamental to the sector's success. As a person who works directly with the mining industry on behalf of the Nunatsiavut Government, I also know first-hand how important TSM is to our community."

 Theresa Baikie, Impact and Benefit Agreement Coordinator for Nunatsiavut Government and current COI Panel Member

"Strong, respectful relationships with Indigenous communities are important to the success of Canada's mining industry and it is important that the sector both acknowledge its legacy and history in Indigenous engagement and commit to improved relationships with the communities surrounding and affected by mine sites. Across the industry, significant progress has been made in Indigenous participation in mining, from sharing economic benefits, to providing employment, procurement and training opportunities, and TSM has been critically important in setting the bar on what is expected of mining companies when it comes to good practice in respectful engagement and collaboration with Indigenous communities.

As a member of the COI panel, I am proud to have played a role in ensuring Canada's mining companies are held accountable in ensuring responsible practices are in place, particularly through the TSM Indigenous and Community Relationships Protocol. Positive engagement with Indigenous peoples is nothing short of essential to the mining industry's success. TSM and the work of COI panel members continue to focus on providing industry the tools for developing and maintaining mutually beneficial and respectful relationships with indigenous people."

David Walkem, Chair of the Citxw Nlaka'pamux Assembly and current COI Panel Member

"Having served on Canada's Community of Interest Advisory (COI) panel for six years and having played a role in its original creation, I saw first-hand the significant positive impact TSM has had in driving performance and improving accountability at the mine site level, particularly in social and environmental performance, and the panel's valuable role in pushing the industry towards such progress.

Jurisdictions that adopt TSM are openly committing to going beyond the word of the law when it comes to sustainable practices and the program lays out clear expectations that everyone will and should be judged by a higher level of standards. The COI panel, comprised of various stakeholder groups including Indigenous, academic, environmental, and social sectors, is critically important to the program's credibility and to

determining the quality of work being done at the mine site level. The Panel has played an instrumental role in directing TSM's focus and development and has undoubtedly helped guide TSM to where it is today; a global leader in sustainable standards."

 Alan Young, Director of the Materials Efficiency Research Group, Former Executive Director of the Canadian Boreal Initiative and COI Panel Member from 2009-2016

"The Minerals Council of Australia's adoption of the TSM framework will help broaden the global applicability of a leading reference in the mining industry. We value the continuous standard enhancement approach led by the Mining Association of Canada (MAC), in part through consultations with an independent multi-stakeholder group. Mine site-level environmental and social performance benchmarking are especially important for investors like BCI who leverage annual TSM Progress Reports as part of ESG integration into investment decisions. Significant mining jurisdictions adopting TSM provides us with a broader range of absolute and relative asset-level ESG performance. Independently verified assessments provide investors and other stakeholders with additional assurance.

As part of BCI's engagements with portfolio companies, we refer to reporting members' performance from TSM reporting and we advocate for MAC members to voluntarily apply and report on their non-Canadian operations. As part of our regulatory engagements, we referenced the TSM Tailings Management Protocol in our submission to the Global Tailings Review in 2019. We also track select TSM industry-level indicators as one way of measuring progress against some engagement priorities. We believe the adoption of the TSM by the Minerals Council of Australia will benefit the Australian mining sector."

- Anne-Marie Gagnon, Associate ESG Manager, Public Markets, British Columbia Investment Management Corporation (BCI)

"UNICEF Canada welcomes the commitment of all companies to prevent child and forced labour as part of the Towards Sustainable Mining initiative. As 2021 marks the International Year for the Elimination of Child Labour and as the ongoing COVID-19 pandemic threatens to drive more children into child labour, it will be important for all companies to positively contribute to the Sustainable Development Goals of ending child labour in all its forms by 2025."

- Rowena Pinto, Chief Program Officer, UNICEF Canada

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