



Mining Association of Canada Community of Interest Panel Terms of Reference

Background and Context

The Mining Association of Canada (MAC) launched its Toward Sustainable Mining Initiative (TSM) in 2004 to improve the industry's reputation by demonstrating improved sustainability performance. The MAC Board of Directors (MAC Board) established the Community of Interest Panel (COI Panel) in 2004 to advise on the design and implementation of TSM and to provide a mechanism for dialogue between MAC and COI with perspectives relevant to Canada's mining industry. In 2024, a decision was jointly made by the COI Panel and the MAC Board to amend these Terms of Reference to modify the COI Panel's role from advisory to decision-making.

The mining industry and the conditions under which it operates in Canada and internationally have changed significantly since the COI Panel was established. There is growing demand for metals and minerals, with a specific focus on critical minerals and the minerals and metals required for the energy transition. This renewed focus on mining activity in Canada and around the world is raising expectations regarding the industry's responsible production, with a greater range of COI articulating those expectations. For example, investors and customers are joining affected communities in their demands for strong environmental and social standards, putting greater pressures on both regulatory systems and standards to ensure new and existing production of minerals and metals meets these expectations.

At the same time, the growing number of standards used by mining companies to inform responsible practices has caused fragmentation and confusion, resulting in a recognized need for standards to evolve and consolidate, or risk becoming irrelevant. MAC has sought to respond to these new dynamics by evolving TSM—including its standards, governance, and assurance—to reflect these new expectations. At the same time, MAC has shared TSM with national mining associations all over the world. Through this evolution of TSM, the COI Panel structure has emerged as one of the program's greatest and unique strengths.

Amendments were made to the COI Panel Terms of Reference in 2024 to respond to these changing conditions, and to ensure that the COI Panel remains relevant and dynamic—a place for rich dialogue, consensus building, and collaborative decision making between MAC and its COI. This dialogue is intended to provide value to both MAC and its COI. Given strongly established expectations by a range of COI that mining sustainability standards should feature multi-stakeholder governance, the amended Terms of Reference also ensure that decisions are made together between industry and COI on an equal basis.

Panel Goal

The COI Panel will work in collaboration with the MAC Board to govern TSM jointly and on an equal basis, supporting MAC members to:

- Achieve excellence in responsible production aligned with the *TSM Guiding Principles*
- Make positive contributions to economic and social development in Canada, the communities where they work and, where relevant, other countries.

Panel Objectives

1. Identify current and emerging priority issues for sustainability in Canada's mining sector.
2. Receive updates from MAC on the industry's performance and on issues raised by COI, including issues raised through community-level engagement processes undertaken by MAC member companies.
3. Provide a place for rich and well-informed dialogue. Provide space for MAC and its members to share and seek advice on industry policies and approaches.
4. Advise and encourage MAC and its members to improve and raise expectations for responsible business conduct in Canada's mining sector.
5. Review and approve, in parallel with the MAC Board, changes and additions related to the ongoing development and implementation of TSM by MAC members and through MAC's TSM Subscription Service.
6. Routinely review TSM implementation results, including through the post-verification review process.
7. Contribute to understanding of and support for the goals and achievements of TSM among MAC's COI.

Composition

COI Panel members

The COI Panel is comprised of respected individuals from COI affected by or with an interest in the sustainability performance of Canada's mining industry. COI Panel members are selected for their experience and expertise working with the industry or on topics relevant to the mining sector. COI Panel members have the necessary connections, respect, and credibility within their respective COI category to serve as an authoritative voice on the COI Panel. Panel members are not formal representatives of organizations, except for three representatives from the First Nations, Inuit, and Métis, who are formally appointed by the national bodies representing Indigenous peoples in Canada.

Core categories (12 members)

- Indigenous people (3)
- Environmental NGO (2)
- Economic and community development (2)

- Social NGO (including faith-based groups) (1)
- Finance and investment (1)
- International development (1)
- Labour and workplace (1)
- Customer of mined materials (1)

Industry representatives

Industry representatives participate in the COI Panel on an *ex-officio* basis. Their role is to listen to and actively participate in dialogue with non-industry COI Panel members. Industry representatives do not take part in part in decision-making by the COI Panel.

The mining industry is represented on the COI Panel by:

- MAC Board members (3)
- Chair of the TSM Governance Team (1)—*also a member of the MAC Board*
- Prospectors and Developers Association of Canada (1)
- MAC President (1)

Additional MAC Board members are regularly encouraged to participate as observers. MAC staff and the Chair of the TSM Initiative Leaders Committee participate as resource persons.

Experts and observers

As required, The COI Panel may invite relevant subject matter experts to participate in one or more meetings of the COI Panel. At the discretion of the COI Panel, observers may also be invited to meetings to learn how the COI Panel operates or to engage in discussion on specific issues.

Term and Renewal of Membership

COI Panel members from core categories serve a three-year term, renewable for a second term. Membership on the COI Panel is renewed at an approximate rate of one to two members per year to provide continuity in COI Panel membership, while allowing the COI Panel to bring new ideas, interests, and issues to the table.

In unique circumstances, COI Panel members may serve more than two terms (e.g., to avoid gaps in core categories or to continue providing relevant expertise). Individuals who wish to serve a third term must submit a nomination and have their applications assessed against the criteria. Exceptions to this requirement may be made based on the direction or input of the Panel Renewal Working Group. The three representatives of Canada's Indigenous peoples serve on the COI Panel for a length of time determined by their respective national organizations.

Selection of COI Panel Members

Selection Criteria

Candidates for the COI Panel are selected based on the following criteria, as well as other requirements that may be defined by the Panel Renewal Working Group:

- Clear fit into a core category
- Well-respected among other actors in their COI category and among a range of mining interests
- Demonstrated commitment to open and constructive engagement
- Able to devote time and effort to participating in the work of the COI Panel
- Improve diversity of the COI Panel membership (e.g., representation from mining regions across Canada and internationally, gender, youth, official languages)
- Knowledgeable about the mining industry and sustainable development policy, performance and practices and related issues

Renewal Process

Open nomination processes for vacant COI Panel positions are disseminated by:

- Posting the call for nominations on all MAC communications channels and via e-mail to relevant MAC contacts
- Asking current COI Panel members and MAC members to identify qualified candidates and share the call for nominations with their respective networks
- Sending the call for nominations to organizations relevant to the vacant COI category
- The Panel Renewal Working Group, composed of 4 to 6 COI Panel members supported by 1 or 2 MAC Board members acting in an advisory capacity, supports the COI Panel renewal process by:
 - Advising the COI Panel on succession planning
 - Identifying and recommending changes to the COI Panel composition as per these Terms of Reference
 - Developing Calls for Nominations and defining the timeline for each renewal process.
 - Reviewing candidate applications and conducting interviews with a subset of candidates
 - Recommending candidates to the COI Panel
- The COI Panel, with advice from the MAC Board representatives, will review and approve the Call for Nominations and the recommendations of the Working Group, making the decision on which candidates to invite to join the COI Panel.
- Once a new COI Panel member has been selected, MAC facilitates the mentorship process by pairing the individual with an existing COI Panel member.

Approach to Panel Work

General Principles

The work of the COI Panel is based on the following principles:

- Mutual respect and openness to diverse opinions.
- Constructive and open dialogue that aims to reach consensus.
- Transparency in process and information sharing—to be balanced with need for confidentiality of discussions, where appropriate.
- Maintaining trust necessary for open and productive exchange between COI Panel members and MAC Board members.
- Collaboration to identify and address issues in a constructive manner to advance sustainable development in the mining sector.

Basis for Participation

COI Panel members participate in the work of the COI Panel to share their understanding and expertise, and the views and perspectives of COI Panel categories. MAC can support any COI Panel member that wishes to engage with their COI networks by providing materials and advice, or attending relevant events, where possible.

COI Panel members and MAC Board members are expected to participate in all COI Panel meetings. Any member missing two consecutive meetings will be contacted to assess their ability to continue participating in the work of the COI Panel. Any member missing a third consecutive meeting will be asked to step down.

Treating Issues

The COI Panel raises and debates, in a safe space, important issues faced by the mining industry in Canada, by MAC members internationally, or as identified by COI. When discussing issues, the COI Panel:

- Works to come to new and mutual understandings where possible or to agree to disagree.
- Does not serve as a place to resolve issues or find solutions but to inform COI Panel members and MAC Board members, who then take these perspectives back to their respective networks and organizations for consideration and resolution.
- Understands mutual accountabilities around issues raised.
- Brings in outside expertise to inform debate on certain issues.

Geographic Scope

The COI Panel may discuss local or national issues of relevance to the mining industry and TSM performance by MAC members in Canada and abroad. The COI Panel should aim to avoid duplication with other local, national, and international fora or organizations, including the work of TSM COI panels in other countries.

- In local communities, the COI Panel may help to create conditions for COI to engage with companies about community relationships and the sustainability performance of facilities. This includes using MAC member COI engagement processes at the facility level, as set out in TSM.

- Within Canada, the COI Panel may encourage regional-level dialogue and input on issues addressed by the COI Panel.

At the international level, the COI Panel may collaborate with other national COI Panels established by TSM Partner Associations.

Addressing Industry Performance

When discussing industry performance, the COI Panel:

- Advises on TSM performance of MAC members during post-verification review dialogues, in annual panel statements, or as other issues related to company performance are identified for discussion
- Does not focus on individual company performance beyond implementation of the TSM performance management system
- Identifies issues related to broader industry performance, beyond TSM implementation, for MAC member companies to address through their individual management systems and practices

Panel Advice and Decision Making

The COI Panel acts as a decision-making body in parallel with the MAC Board to jointly make decisions regarding all aspects of TSM according to the following procedures:

- Proposed changes to TSM are only to be considered final when both the COI Panel and the MAC Board have made independent decisions to approve such changes.
- When the COI Panel is considering a decision, MAC Board representatives will act in an advisory capacity.
- Decisions regarding TSM are taken on a consensus basis, to the extent possible, based on full consensus being reached when all COI Panel members express their support for a decision. In situations where full consensus is not reached, the COI Panel will seek consensus on a no-objections basis, recognizing that one or more COI Panel members may not fully support a decision but are willing to allow a decision to proceed. A consensus decision may also be reached where one or more COI Panel members wishes to have their concerns or objections formally noted but are still willing to allow a decision to proceed. When consensus is not reached, the COI Panel may decide to vote on a two-thirds majority basis, which must include the support of at least one Indigenous representative. In such cases, those in the minority can have their objections or concerns formally recorded in the record of decision. However, no decision may proceed if all Indigenous representatives on the panel are opposed.
- On other matters not requiring a formal decision—for example, early advice or input on the review of a TSM protocol or exploration of topics unrelated to current TSM protocols—COI Panel advice can be provided to MAC without consensus. Such advice is intended to help MAC understand the range of perspectives that may exist on a given issue.
- On matters outside the scope of TSM, the COI Panel may provide advice but will not endorse MAC activities.
- The COI Panel may choose to convene *in camera* sessions to discuss issues and formulate recommendations to MAC, as appropriate, without the presence of MAC Board members or MAC staff.

Agenda Setting

COI Panel members and industry representatives share issues of importance during COI Panel meetings to identify and rank priority issues used to inform agenda setting. Agendas will be agreed upon by the Agenda Setting Working Group, made up of volunteers from the COI Panel, including up to two MAC Board members.

Priority is to be given on agenda to:

1. TSM-related decision items.
2. Discussion and review of TSM performance results, including post-verification reviews.
3. Advice on the continuing development of TSM.
4. Discussion of substantive policy and performance issues facing the industry.

The agenda will ensure sufficient time for discussion and decision-making during COI Panel meetings. Presentations and updates will be provided virtually in advance of in-person meetings or, if necessary, limited to essential materials to inform discussion. The agenda will be provided to the COI Panel at least three weeks before a COI Panel meeting.

Meeting Reports

Meeting reports will be prepared by the COI Panel facilitator and will be distributed to COI Panel members for review and comment before publication online. The meeting report will be published online and shared with the MAC TSM Governance Team in advance of the next meeting.

Comments included in meeting reports are not attributed except in the case of formal presentations or when a COI Panel member has requested or given explicit permission to have their views attributed. COI Panel members can use meeting reports to inform and engage with their respective COI.

Communications

In public communications, COI Panel members can affirm evidence of MAC member TSM performance but are not expected to advocate. The COI Panel will prepare an annual statement which fairly represents the COI Panel's perspectives on TSM performance and on broader issues addressed in the COI Panel's work.

The Communication and Reporting Protocol (see Annex 1) is intended to balance the objective of transparency with confidentiality of discussions, where appropriate.

Continuous Improvement

An evaluation will be conducted at the conclusion of each COI Panel meeting to assess the effectiveness of the meeting and identify opportunities for improvement.

The COI Panel will conduct an evaluation of its achievements and operations every three years. COI Panel members will agree on the process for each evaluation, including any need for external participation or review.

Operations of the Panel

The COI Panel meets twice per year, with one meeting held at a near a MAC member facility or community, if possible. COI Panel members may also volunteer to participate in intersessional activities and working groups.

COI Panel members are reimbursed for expenses incurred related to their participation in COI Panel meetings or activities. They are also offered an honorarium of \$500 per day, consistent with practices in like processes—to cover preparation and participation time, or to compensate for lost work time—where needed and considered appropriate by their employer. See the *COI Panel Guidelines for Honoraria* for more information on honoraria and eligible expenses. All costs associated with the Panel's operations are covered by MAC.

The external facilitator is responsible for facilitating meetings and ensuring agendas and meeting reports reflect COI Panel members' contributions. The facilitator will also receive from COI Panel members any evaluations on the work of the COI Panel, to be held in confidence when requested.

Secretariat services for the COI Panel are provided by MAC, supported by the facilitator, including logistics, preparation of meeting materials, recordkeeping, and other support to the COI Panel.

New COI Panel members are mentored by a current or resigning COI Panel member for a period of six months (including one COI Panel meeting) to facilitate transfer of knowledge on the COI Panel's operations and subject matter under discussion.

Materials for Meetings

Supporting materials for meetings will be provided electronically to the COI Panel at least one week in advance of the meeting date. All materials will be provided in English and made available in French when requested. Hard copies of the materials may be available on request

Draft materials may be provided to COI Panel members for distribution within their networks, with the requirement that the content remain confidential. All draft documents should be clearly labelled as such.

Information Dissemination

Only documents that have been approved by both the COI Panel and the MAC Board will be made public, including drafts of documents to be issued for public consultation. All public documents will be available online in English and will be made available in French or other languages as required.

Annex 1

Communications and Reporting Procedure

Purpose

The purpose of this Communications and Reporting Procedure is to ensure clarity among the COI Panel and MAC on external communications related to the work of the COI Panel, and to ensure an appropriate balance of transparency with confidentiality of discussions, where appropriate.

Panel Information and Communications

- ✦ MAC will regularly communicate with Panel members on aspects of its activities relevant to the Toward Sustainable Mining Initiative
- ✦ Terms for meeting materials, information dissemination and meeting reports are addressed under Operational Principles of the Terms of Reference
- ✦ Panel members will keep confidential any information stated as such and provided to them by MAC
- ✦ MAC representatives will keep confidential any information stated as such and provided to them by a Panel member

Reference to Panel by MAC Representatives

- ✦ Representatives of MAC or its member companies will not reference the Panel's advice to MAC or otherwise imply Panel endorsement:
 - In its participation in regulatory or policy processes, without formal approval of all Panel members
 - In its involvement in any role in legal court cases, legal challenges or where it has intervener status in a legal proceeding

Reference to MAC by Panel Members

- ✦ Panel members will not speak on behalf of or in the name of MAC in any circumstance
- ✦ Panel members will not speak on behalf of the Panel without formal approval of all Panel members but are free to speak about their own experiences with the Panel

Communications with Government Officials

- ✦ Panel members will not speak or correspond with government officials about the discussions or advice provided by Panel members to MAC, under the name of or on behalf of the COI Panel