Towards Sustainable Mining **Verification Service Providers Terms of Reference**

2020 Survey Results and Mining Association of Canada Response

Overview

In 2020, the Mining Association of Canada (MAC) began a review of the *Towards Sustainable Mining* (TSM) Verification Service Providers (VSP) Terms of Reference to ensure continued alignment with the expectations of the mining industry's communities of interest and good verification practice. In keeping with MAC's commitment to transparency and accountability with regards to TSM, this document summarizes key survey findings and describes the steps that MAC plans to take to respond to these recommendations.

Survey Results

A survey was circulated in July 2020 to nearly 200 individuals. In total, 61 individuals responded to the survey – 34 VSPs, 15 MAC members, 5 members of MAC's Community of Interest Advisory Panel (COI Panel), 3 representatives of other sustainability standards, 3 representatives of other national mining associations that implement TSM, and one other respondent. The survey questions sought input on the credibility of TSM verification and other processes, qualifications and training requirements, and additional issues of relevance to the program. Below is a summary of responses.

Credibility

Overall, respondents (86%) communicated that the current TSM verification process is credible and that it balances credibility and burden well (average score: 7/10). That said, many suggestions were offered to improve the credibility of the program. The most common suggestions included:

- VSP Training: Improved training, guidance, and resources for VSPs to ensure consistent quality and rigour in verifications across facilities. Specifically, respondents requested better guidance on interpretation of criteria, sampling, interviews, appropriate documentation, and the depth and scope of verifications.

- VSP Oversight: Oversight of VSP activities by MAC or a third-party organization to assure quality verifications and compliance with the VSP Terms of Reference. There were suggestions this oversight role could include not only reviewing completed verifications, but also facilitating the assignment of VSPs to facilities and establishing consistent scopes of work and fee structures. Another suggestion was that an independent auditing firm could be contracted to review the TSM verification process and provide suggestions consistent with current best practice.

- VSP Qualifications: Clearer qualification requirements for VSPs, including audit qualifications, with the possibility of screening candidates for these requirements prior to acceptance into VSP training. More detail on this recommendation is provided in the 'Qualifications' section below.

- International Alignment: Partnership or convergence between MAC and other international sustainability standards bodies, and with ISO standards, to facilitate cross-recognition and maintain relevance. Additionally, international guidance and standards related to verification and assurance (e.g., International Standards on Assurance Engagements 3000, International Accreditation Forum) could be integrated within TSM.

In response to some of the specific questions posed about credibility, MAC received the following feedback:

- Sampling: There was interest in enhanced guidance for VSPs on sampling strategies and a requirement to disclose the strategy used alongside the company's verified performance results. Most VSPs responded that they aim to verify all protocols at all facilities, indicating a tendency to exceed the minimum sampling requirements.

- VSP Published Summary: Respondents were in favour (60%) of VSPs being required to produce a summary of the verification, including key performance gaps and strengths, that would be published alongside the company's verified performance results. However, there were concerns expressed that MAC members may not support this approach.

- Site Visits: Respondents felt that site visits during verifications were very important (average score: 8/10), particularly to confirm Level A and above scores.

- COI Interviews: There was strong support (average score: 8/10) for VSPs to interview local communities of interest during the verification process, particularly to confirm Level A or higher scores.

Qualifications and Training

There was strong support (80%) for requiring VSPs to hold auditing qualifications. However, several respondents were concerned that this would eliminate from consideration many subject matter experts with relevant experience (e.g., geotechnical engineers). There was a sense among respondents that virtually any audit qualification would be relevant to the role of the VSP, though there was greatest support for the completion of a 5-day Management Systems Lead Auditor training (44%), as well as the Certified Environmental Auditor (33%) and Environmental Professional (31%) designations. One gap identified by several respondents was that there are few audit qualifications relevant to the social and community dimensions of TSM. Some reiterated that subject matter expertise, especially in tailings management, is more important to the role of VSP than holding a certain audit qualification. Most of the VSPs that responded to the survey (65%) indicated that they currently hold audit qualifications. The most common designations included ISO 14001 (Environmental Management Systems), ISO 45001 (Occupational Health and Safety), Certified Environmental Auditor, Cyanide Code, and Green Marine.

Overall, respondents felt that other technical qualifications and years of experience were important (average score: 7/10). Mining industry experience and subject matter expertise in the areas being verified were considered especially important, with many mentioning the importance of tailings-related experience and expertise. There was specific mention of experience in health, safety, environment, and community (HSEC) management as well as training in ISO standards (e.g., 14001, 45001, 9001 (Quality Management Systems), 17021 (Conformity Assessment)). Of the VSPs that responded to the survey, the most common technical qualifications were Professional Engineer, operational mining experience and training in environmental management and health and safety. A plurality of respondents (39%) supported VSPs being required to demonstrate 5-10 years of experience in auditing and the subject matter being verified. However, many indicated in comments that a minimum number of audits conducted might be a preferable or alternate criterion.

Most respondents (62%) felt that VSPs should only remain qualified if they have conducted a verification in the previous three years and (64%) felt that recertification training should be required every three years. Some respondents indicated that supporting companies in conducting TSM self-assessments or experience conducting other relevant audits or certification courses

could be accepted in lieu of TSM verification experience or recertification training. While virtually all existing MAC training documents and other materials were considered useful, some VSPs noted that there is a need for further guidance and clarification to ensure clear and consistent interpretation of protocols. Several indicated an interest in best practice documents or case study examples of completed protocol checklists, and in online sharing of MAC responses to VSP questions so that all VSPs can benefit from these clarifications.

Overall, respondents did not feel that in-person training was particularly important (average score: 5/10). Nearly all (92%) felt that participation in the annual VSP TSM update webinar should be required to retain certification. When presented with options for online and in-person training, VSP respondents felt that a combination of these two types of training was most effective (50%). However, several noted in comments that 'in-person' training should be interpreted as support for webinar-based training and not classroom-based training. A majority (75%) of VSPs supported the proposal to expand the VSP training workshop to two days, emphasizing that this should be offered online via interactive webinars or paired with the online training modules. VSPs felt that the existing online training program is effective but requires an update to align with new protocols.

Other Feedback

- Annual VSP Feedback: Respondents agreed (97%) that the Terms of Reference should invite VSPs to provide feedback to MAC, on an annual basis, on any areas of the TSM protocols or related documents that they find to be unclear or inconsistent. There were suggestions that this feedback could be provided in the annual update webinar, during refresher training, or through an online forum.

- Standards Alignment: Respondents generally agreed (71%) that the VSP Terms of Reference align with other sustainability standards' assurance requirements. However, some noted in comments that ISO alignment (e.g., 19011, 17021) would improve credibility significantly.

- MAC Support: VSPs rated their engagement with MAC well (78%) in cases of disagreement with companies on protocol interpretation.

Key Findings

In analysing the feedback received, six key themes emerged as recommendations to improve the credibility of the TSM verification process:

1. Support: Improved training and guidance for VSPs, including via webinar-based training.
2. Oversight: Greater oversight of VSP activities by MAC or a third party.
3. Qualifications: A requirement for VSP technical qualifications, including audit training.
4. Standards Alignment: Convergence with other international sustainability standards.
5. Summary Report: Publication of a VSP summary report alongside company TSM results.
6. Verification Processes: Requirements for site visits and community interviews by VSPs.

Next Steps

MAC appreciates the valuable feedback received in the abovementioned survey and is committed to considering ways to address the recommendations provided.

Already, MAC is taking steps to provide VSPs with greater support and to promote greater alignment among international sustainability standards:

- In November 2020, MAC launched a new online training program for VSPs and others interested in learning more about TSM. This program will support VSPs in gaining TSM qualifications and will serve as a platform to meet ongoing training needs.

- In January 2021, MAC hosted the first-ever webinar-based training for VSPs. This training was more extensive (i.e., four half-day sessions) and responded to the request from many survey respondents to reduce the travel costs and time required for in-person training.

- MAC plans to continue to host annual update webinars for VSPs in January of each year to keep current VSPs aware of the latest TSM developments.

- In December 2020, MAC published the new *TSM Responsible Sourcing Alignment Supplement*. This Supplement supports companies that are implementing TSM alongside the International Council on Mining and Metals' (ICMM) Mining Principles, the World Gold Council's Responsible Gold Mining Principles, and the Responsible Minerals Initiative's Risk Readiness Assessment, including the International Copper Alliance's Copper Mark. The purpose of the Supplement is to support a single, streamlined reporting and assurance process for companies using TSM that want to demonstrate that they meet the requirements for one or more of these other standards.

- In 2021, MAC will be finalizing another tool, the *Integrated Audit Protocol*, which will bring together criteria from TSM and the Responsible Jewellery Council, with a view to incorporating other standards. This tool is a first step to facilitating a single audit that provides performance results against multiple standards.

- MAC has also worked with the ICMM to develop a detailed equivalency table for TSM and the ICMM Mining Principles, published by the ICMM in December 2020.

In addition to the above actions, over the course of 2021, MAC is committed to considering options to address survey feedback related to:

- Additional support and guidance for VSPs

- Oversight of VSP activities

- Recognized audit and technical qualifications for VSPs

- Publication of verification summary reports

- Requirements for site visits

- Engagement with communities of interest during verifications

- Disclosure of sampling strategies

MAC would welcome any feedback or comments regarding the above by March 30, 2021. Comments are to be submitted to Katherine Gosselin at kgosselin@mining.ca.