

New Water Stewardship Protocol to Bring Enhanced Environmental Standards to Canada's Mining Sector

Backgrounder

The Mining Association of Canada's (MAC) *Water Stewardship Protocol* is the newest addition to its *Towards Sustainable Mining® (TSM®)* initiative and will be phased-in over the next several years, with public reporting scheduled to begin in 2021. Water experts from across the industry worked diligently to develop a set of performance indicators to measure water governance, operational water management, watershed-level planning and water performance and reporting at the mine-site level. This Protocol will strengthen the standards included in *TSM* and will guide the development of water stewardship practices in a manner that will go beyond legal compliance.

About 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.

MAC established *TSM* in 2004 and participation in the program is mandatory for its members. 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's* performance Protocols 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. A full list of *TSM*'s Protocols can be found <u>here</u>.

Purpose of the Water Stewardship Protocol

In 2015, MAC adopted a TSM Water Stewardship Policy Framework, which describes the membership's commitments to water stewardship that go beyond legal compliance. The policy framework, which was updated in 2017, can be found here: <u>http://mining.ca/towards-sustainable-mining/protocols-frameworks/water-framework</u>.

The new *Water Stewardship Protocol* is based on the *Water Stewardship Policy Framework* and provides a tool for companies to measure implementation of the framework's commitments. The Protocol is comprised of four performance indicators:

- 1. Water Governance
- 2. Operational Water Management
- 3. Watershed-scale Planning
- 4. Water Reporting and Performance indicators

To achieve Level A, which is considered good performance, a facility must demonstrate that commitments and accountabilities related to water stewardship are in place and are consistent with the *TSM Water Stewardship Framework*. It also involves ensuring that that water-related plans and management systems are implemented, which includes preparation of a water balance, a water monitoring program, and response and contingency

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plans for water-related risks and incidents. As described in Indicator 3 of the Protocol, the facility must also engage with other water users and COI in the watershed and participate in watershed-scale planning and governance fora, where they exist. Furthermore, to achieve Level A for Indicator 4 there must be evidence that the facility has established water-related objectives or targets to measure performance and that public reporting includes performance relative to its objectives or targets.

TSM Performance Rating

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. These grades are made public in the annual *TSM Progress Report* for each facility. 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 <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.

External Oversight

TSM is overseen by an independent Community of Interest (COI) Advisory Panel, 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. The Panel played a key role in the program's design from the very beginning and was integral to the development of the new *Water Stewardship Protocol.*

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.

Overall, the new addition of *TSM*'s *Water Stewardship Protocol* promises to heighten environmental standards for Canada's mining sector and bring about increased awareness on the role the industry plays in water conservation and protection.

To download a copy of MAC's *Water Stewardship Protocol*, visit: <u>http://mining.ca/towards-sustainable-mining/protocols-frameworks</u>

To learn more about TSM, visit: www.mining.ca.

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