

# 2020 Statement from the TSM Community of Interest Panel

## 1. Introduction

Established in 2004, the Community of Interest Advisory Panel (COI Panel) plays a key role in the ongoing development and implementation of the TSM initiative. The Panel is composed of individuals nominated from communities of interest directly or indirectly impacted by the activities of the mining industry. These communities of interest include Indigenous communities, international development groups, economic and community development organizations, environmental and social NGOs, the finance/investment sector, organized labour, as well as the mining industry itself and individuals with issue-specific expertise. Panel members representing the mining industry actively engage in Panel discussions, provide company insights, and help connect the Panel's work to the MAC membership. The current COI Panel includes 17 individuals. For more information see: [www.mining.ca/towards-sustainable-mining/community-interest-advisory-panel](http://www.mining.ca/towards-sustainable-mining/community-interest-advisory-panel).

This Panel statement offers an independent reflection from the non-industry members of the COI Panel on key areas of interest and progress since the previous statement.

## 2. General Comments

The 2020 Mining Association of Canada (MAC) Community of Interest (COI) Advisory Panel meetings took place as the context of COVID-19 evolved from being initially detected early in the year to rapidly spreading around the World. Over the March and October meeting periods, there were discussions amongst the COI Panel members and MAC on topics that included the near and long-term impacts of the COVID-19 pandemic, as well as the impact of climate change on both the mining and Indigenous communities.

The March meeting included expert panelists who highlighted the role that the Principles for Responsible Investing (PRI) play in setting guidelines for institutional investors, where shareholders hold boards of directors and management teams accountable for setting targets and achieving results (i.e. reducing greenhouse gas (GHG) emissions to meet the 2030 and 2050 Paris Agreement targets). The October meeting included expert panelists from the mining industry and several levels of government, who discussed their responses to the COVID-19 pandemic and the measures put in place to protect the mining workforce and nearby communities.

The COI Panel provided feedback on the revised TSM Energy & Greenhouse Gas Emissions Management Protocol, now titled the Climate Change Protocol. Discussions were also held on the following industry and COI topics:

- The impact of climate change on the COI and mining communities,

- The alternative energy initiatives being undertaken by mining companies and Indigenous communities seeking to reduce levels of GHG emissions,
- The continuous inclusion of Indigenous reconciliation in COI dialogue, following the updated 2019 TSM Indigenous and Community Relationships Protocol; and,
- The impact the COVID-19 pandemic is having on isolated mining operations, nearby communities and mobile workforces.

The subject material reviewed in 2020 led to an overall view by the COI Panel members that the mining industry should continue to build toward a **Better and Sustainable Future**. It could do so by incorporating GHG-reducing technologies in existing and new mines, building on the lessons learned from the COVID-19 pandemic, pursuing sustainability goals, and continuing to demonstrate global mining leadership (Figure 1).

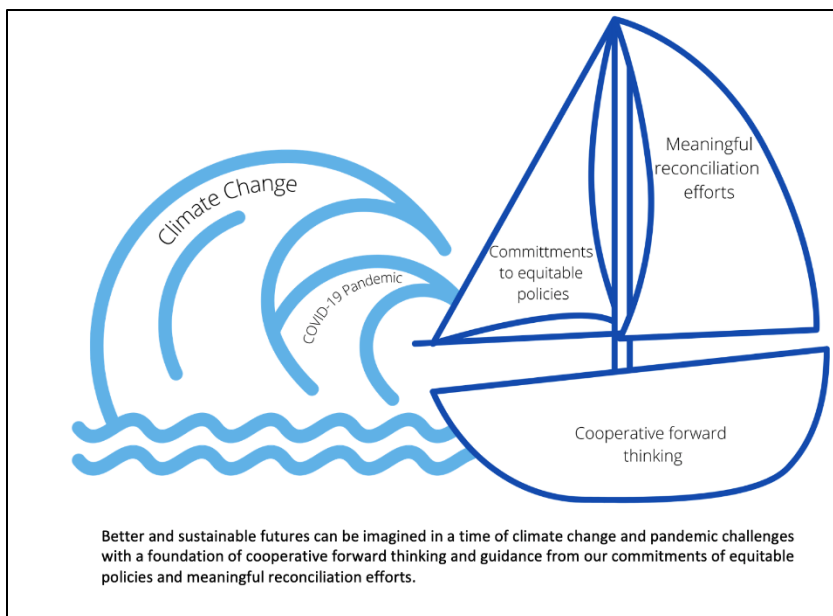


Figure 1: Better and Sustainable Future

The COI Panel has distilled the 2020 MAC materials, expert panel presentations and COI discussions into three key themes discussed below: **1) Overcoming the Impact of Climate Change; 2) Rebounding from the COVID-19 Pandemic; and 3) Building a Better and Sustainable Future.**

### 3. Key Themes of 2020

#### Theme 1: Overcoming the Impact of Climate Change

Climate change and global warming are expected to have a significant impact on Northern Canadian Indigenous communities and mining operations, where ice road access may be shortened as temperatures rise, impacting community access, supply chains and traditional ways of life. The COI discussion over the past 18 months of the TSM Climate Change Protocol

has occurred as growing numbers of institutional investors are focused on climate change and how resource companies can reduce their negative environmental impact, as well as address social impacts to local communities due to global warming.

The March expert panel presentations highlighted how institutional investors have been adhering to the globally accepted PRI guidelines. Investors are now reviewing Sustainability and Environment, Social and Governance (ESG) reports that outline GHG and carbon reduction targets and measurable actions taken to reduce the GHG footprints to meet the 2030 and 2050 Paris Agreement targets. Furthermore, shareholders and non-governmental organizations understand the impact global warming has had on Indigenous communities and traditional ways of life.

Shareholder focus on climate change has resulted in Canadian and global mining company' boards and management teams setting corporate GHG reduction targets. This in turn has resulted in mining companies investing in projects to reduce dependence on coal and diesel power sources through renewable energy, battery power and lower GHG energy alternatives. Canadian mining companies have demonstrated leadership concerning GHG reduction and have set specific 2030 and 2050 GHG targets. Such companies include Teck, RioTinto, BHP, Barrick, Newmont and numerous others. Some of MAC's member companies have improved energy efficiency and reduced emissions at their operations through the existing TSM Energy and GHG Emissions Management Protocol and guidance. Importantly, significant investments have been made to help achieve the GHG reduction goals set by boards and management teams. Some of the investments in alternative energy solutions include:

- Glencore's Nunavik Raglan mine and RioTinto's Northwest Territories Diavik mine implementing wind projects,
- Teck replacing Sparwood, BC coal-fired drying units with natural gas,
- ArcelorMittal launching a pilot project to displace Bunker C heavy fuel oil with natural gas in Sept-Îles,
- Stornoway's off-grid diamond mine deploying natural gas from start-up.
- A consortium of 27 global miners, including RioTinto, BHP, Teck and others, along with equipment suppliers, working to develop battery/alternative energy haul trucks and mining equipment.

Programs to improve mining operation efficiencies and reduce power consumption and GHG emissions include:

- Hudbay Minerals making significant energy, fuel and process efficiency improvements at its Manitoba mines, including adopting ventilation-on-demand and reducing propane consumption for underground heating,
- Newmont operating a fully electric underground Borden Lake mine in Ontario; and,

- Barrick Gold's Hemlo Mine implementing a ventilation management program that reduces GHG emissions and lowers energy consumption.

Potential actions that the mining industry could take in response to climate change include:

- Encouraging the mining industry's supply chains, as well as financial and other service providers, to commit to reducing their GHG emissions,
- Increasing awareness of the climate-related challenges experienced by communities of interest and how the mining industry is seeking to reduce GHG and slow global warming,
- Recognizing that climate change is beginning to have unexpected impacts on biodiversity and migratory animal/wildfowl behavior that could threaten traditional hunting food security and trapping activities; and,
- Ensuring that Indigenous communities are aware of the GHG reduction programs and incorporated into mine site and regional monitoring programs.
- Seeking alternative energy partnerships, including geothermal and bioenergy sources (i.e. there are examples of the forestry and agricultural industries partnering with Indigenous communities for biofuel energy as Indigenous communities seek to transition from diesel to lower carbon and alternative energy sources).

## **Theme 2: Rebounding from COVID-19 Pandemic**

The COVID-19 pandemic has highlighted the Canadian mining industry's ability to work with all levels of government, as well as Indigenous and local communities, to ensure both workplace and community safety. Expert panel contributions from the Nunatsiavut Government, Vale and Natural Resources Canada provided insights into various government and industry responses to the pandemic. This discussion led to questions from the COI Panel regarding the use of contact tracing badges, testing at operating sites, and the levels of community consultation during the pandemic.

COI discussions highlighted a number of COVID-19 related issues over the course of 2020, including:

- Supply chain disruptions where Inuit communities in Nunavut and Labrador experienced disruption in air travel that impacted re-supplying efforts and the price of food,
- Physical and mental health issues in isolated communities that have been impacted by travel restrictions,
- Increased uncertainty regarding job loss and/or future opportunities if work from home alternatives are not possible; and,

- Safety concerns for family and communities given the need to travel to both local and isolated mining operations.

Mining companies have well-established work-related safety procedures at their mining and processing facilities and management frameworks that are designed to deal with unforeseen emergencies. Input from the mining industry and MAC representatives illustrated significant collaboration on best practices has occurred since the start of the COVID-19 pandemic, particularly between larger global enterprises and smaller mining companies, helped by MAC's COVID-19 Working Group. Similarly, there was significant sharing of resources and experience between all the mining companies and the various communities in their operating regions.

While COVID-19 did result in the immediate closure of mining and processing operations, the Canadian mining industry responded by implementing safety protocols that allowed operations to re-open. In addition, Canadian mining companies have donated over \$40 million to COVID-19 local community relief efforts and food banks, local operating sites have provided help for local communities impacted by COVID-19 related supply shortages, and, where necessary, sites have made testing facilities available to employee families, local communities. In one case, Agnico-Eagle made testing available at the Val d'Or airport to all travelers and the local communities.

The impact of COVID-19 will likely linger long after a vaccine has been broadly distributed; however, actions demonstrated by the Canadian mining industry suggest the industry's ability to deal with near-term shocks, such as COVID-19, as well as significant long-term global impacts, such as global warming and the need to reduce GHGs.

Observations made by the COI Panel on recovering from the pandemic include:

- The pandemic has highlighted that mining companies in more isolated regions need to work with government agencies to ensure that adequate health care and supply chain infrastructure are available to nearby communities,
- Engagement with Indigenous and local communities on health and social issues needs to continue after the pandemic,
- The industry should work with health officials to ensure a vaccine is distributed to all local and regional communities in addition to mine-site employees, their affiliated communities and supply chains; and,
- The COI Panel shared concerns around wildlife pandemics and Indigenous community impacts as climate conditions change, particularly as new viruses and insect borne diseases impact animals.

### **Theme 3: Building Better and Sustainable Futures**

The Canadian mining industry is faced with both near and long-term challenges for meeting GHG emissions targets, given the likely lingering impacts of the pandemic. We would expect Canadian mining to continue to be recognized as a global leader as these challenges are overcome and best practices are shared with other mining jurisdictions. Sharing best practices on COVID-19 safety protocols across the industry should reinforce the ongoing collaboration necessary to meet the mining industries near and long-term Paris Treaty targets.

The industry has overcome the near-term challenge of providing a safe framework during the COVID-19 pandemic for both employees, their families and COI. However, the Canadian mining industry should continue to strengthen relationships with Indigenous communities, particularly with respect to health and safety issues in a post-pandemic world. This is also supported by the Government of Canada's recently tabled legislation to meet its obligations to implement the United Nations Declaration on the Rights of Indigenous Peoples. Furthermore, the Canadian mining industry should continue to seek partnerships on GHG reduction solutions. Establishing Canadian mining ESG leadership will require both setting and achieving GHG reduction targets and continuing to improve operating efficiencies.

A key part of Canadian mining establishing a leadership role in a **Better and Sustainable Future** will be to ensure that new construction and projects at existing mines seek to reduce the GHG footprint of the site. This could be achieved by incorporating reduced carbon power solutions and operating procedures aligned with the Paris Agreement 2030 and 2050 GHG emission targets.

Canadian companies demonstrating international leadership with respect to reducing their GHG footprint include (1) Bema Gold, with its 2018 completion of a 7 MW solar plant at the Otjikoto mine in Namibia and its current construction of a 30 MW off-grid solar plant at its Fekola mine in Mali and (2) Teck, which has set a target for its Chilean mines to have 100% of its power from clean and renewable energy sources by 2030.

Finally, observations made by the COI Panel on building a **Better and Sustainable Future** include:

- All Canadian mining company boards and management teams must set achievable GHG reduction targets to achieve the Paris Agreement 2030 and 2050 targets; and,
- Indigenous reconciliation issues need to be resolved across Canada before global leadership can truly be achieved.