

## COI Panel Annual Statement

### **The Communities of Interest Panel for Towards Sustainable Mining**

Established in 2004, the Communities of Interest (COI) panel provides governance and oversight to MAC's Towards Sustainable Mining (TSM) reporting standard. Eighteen individuals representing Indigenous People, environmental and civil society organizations, economic and community development, finance and investment, labour, law, international development, and industry meet twice a year as a full group and numerous times throughout the year in smaller working groups. The COI is a place for dialogue on issues of concern and emerging interest to the mining sector and its communities of interest. In 2021, the COI welcomed one new member – Graeme Reed (environment) – and bid farewell to David Clarry (industry) who is moving into a new role as chair of MAC.

## **INTRODUCTION**

The past year was both challenging and exciting as the COI Panel adapted to online dialogue, tackled emerging environmental, social and governance (ESG) issues, and joined MAC in welcoming new countries to the Towards Sustainable Mining (TSM) initiative.

In March, the Minerals Council of Australia announced its members would adopt Canada's TSM sustainability system, noting that the initiative would "support companies in demonstrating site-level safety, sustainability and environmental, social and governance performance through better measurement and accountability . . . and show how operations engage with Traditional Owners while supporting social and economic aspirations and heritage protection."<sup>1</sup> This was followed in October by news that the Asociación Colombiana de Minería (ACM) would also adopt TSM to provide the country's mining industry with a set of indicators to measure and report publicly on the quality of their environmental and social management systems.

Today, 10 national mining associations use TSM and there is growing interest from other countries and companies. Each member country has unique considerations and TSM continues to evolve to address jurisdictional considerations, to align TSM with other sustainability reporting protocols such as the Global Industry Standard on Tailings Management (GISTM), with supply chain transparency initiatives, and to meet the needs of metals, materials and mineral users in sectors ranging from information technology to automotive.

Given the growing interest in TSM, governance is a central topic of discussion at the COI and the Panel worked hard in 2021 to follow key trends and issues affecting mining and society. Each year, Panel members map the issues of most importance to their communities of interest

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<sup>1</sup> <https://im-mining.com/2021/03/03/minerals-council-australia-members-adopt-canadas-tsm-sustainability-system/>

on a materiality matrix (Figure 1) that is used to guide our discussions. Climate action, rights and reconciliation, equity diversity and inclusion (EDI), and post COVID-19 recovery dominated the 2021 agenda. The COI was privileged to hear from guest speakers and industry representatives, and despite the restrictions impacted by COVID-19, found new ways to engage with one another and share perspectives on the role of mining in sustainable development.

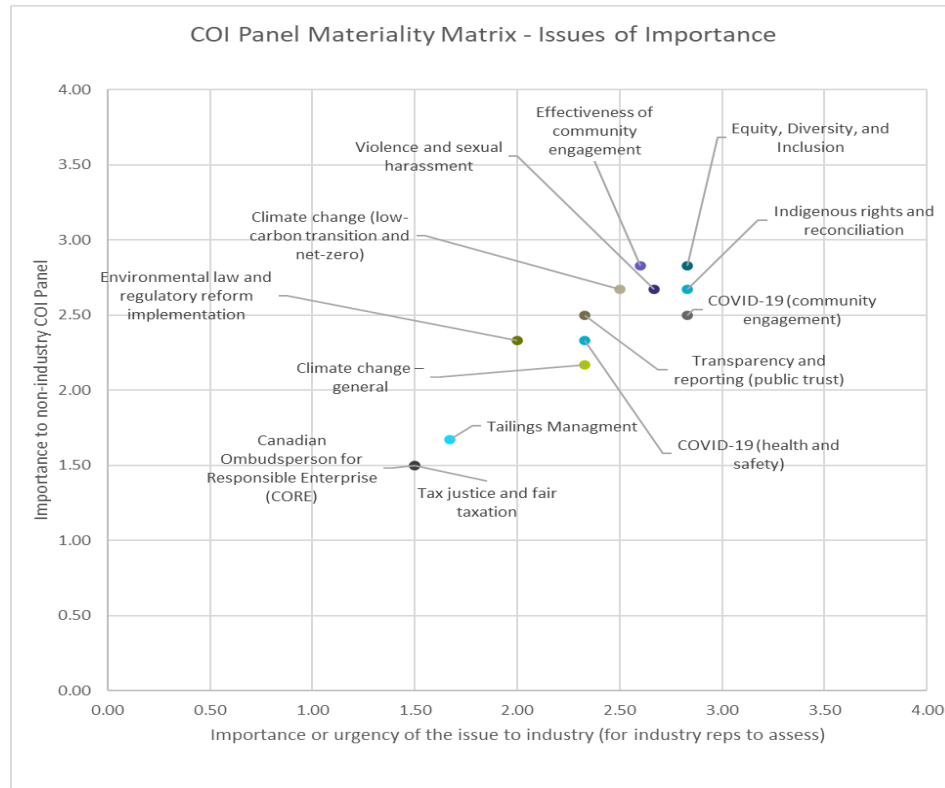


Figure 1: The 2021 COI Panel's materiality matrix

While the material issues under discussion vary from year-to-year, the objective of the COI remains constant: to provide input and oversight to support the successful implementation of TSM. As the recent COP 26 discussions in Glasgow illustrate, the need to transition to a low carbon economy is urgent. Mining will play an important role in providing the metals, minerals and materials needed for climate action and to advance progress on the United Nations Sustainable Development Goals (SDGs). Members of the COI believe that groups, such as ours, that bring together a diversity of perspectives play a critical role in scrutinizing and encouraging the efforts of MAC member companies on their journey towards sustainable mining.

In the remainder of this document, we review the key themes the Panel discussed in 2021 and our path ahead, we then conclude with a summary of Panel initiatives in a more detailed year in review.

## **2021 THEMES**

In 2021, panel discussions focused on three key themes: Indigenous rights and reconciliation, equity, diversity, and inclusion (EDI), and post COVID-19 recovery.

### ***Indigenous Rights and Reconciliation***

Our shared journey of healing and reconciliation experienced a severe shock in 2021, as thousands of unmarked graves were discovered at former residential institutions across the country. Beginning with the discovery at Kamloops Indian Residential School, the discoveries exposed a hidden truth in Canada's colonial structure, all the while Indigenous Peoples wrestled with the immediate, and ongoing intergenerational trauma of having loved ones attend these institutions. In response to these horrific findings, the Panel hosted a call led by Indigenous participants of the Panel, as well as proposed a learning session for the MAC Board. Central to these discussions was a painful reminder that work by governments, organizations, churches, and Canadians must continue to fully implement the Truth and Reconciliation Commission's (TRC) Calls to Action.

During the October meeting, we discussed the updated TSM Indigenous and Community Relationships Protocol, and its' alignment with the newly passed legislation implementing the United Nations Declaration on the Rights of Indigenous Peoples, as well as the calls-to-action from the TRC. A productive discussion, we focused on the implications of these minimum standards to the work of TSM, as well as the evolving discussion of free, prior, and informed consent and its connection to the aspirations of meaningful Indigenous engagement. At this session, and in the weeks that followed, a discussion emerged about the challenges associated with self-identification practices. It was suggested that some people are self-identifying as Indigenous to get jobs for which they would otherwise not be qualified. Several members observed that self-identification is the antithesis to reconciliation. A specific conversation was had about the instance of Eastern Métis, and the response of the Métis Nation. We then explored the appropriate protocols for local Indigenous participation, recognizing the difference between having Indigenous Peoples local to that individual site, and Indigenous Peoples from different areas.

### ***Equity, Diversity, and Inclusion***

Another area of thematic discussions focused on the concept of equity, diversity, and inclusion (EDI) in the mining sector. Current trends are stark showing an under-representation of women (including Indigenous women) and immigrants in the mining industry. For the past 15 years, women have constituted 12-15 percent of the mining workforce. Although there is a higher representation of Indigenous Peoples in mining (8-10 percent) compared to general employment (3.5 percent), the rates overall remain low. The statistics provided by the Mining Industry Human Resources Council were discussed as panel members reflected on

conversations on the importance of EDI indicators for emerging investor expectations, such as those included within ESG, and the potential for the Panel to comment on the development of a new TSM protocol on EDI discussed in mid-2021 by TSM Initiative Leaders. The Panel recognizes the difference between representation and participation in decision-making roles and looks forward to supporting ongoing discussions.

An important discussion emerged around the under-representation of women (as a starting point) and other structurally oppressed groups on Boards and within the C-Suite. Most felt that direct action is required to diversify Board membership to include women, Indigenous People and other non-traditional board members. The observation was made that companies are falling short of gender leadership parity; and, at the current pace, it will take decades to achieve equality. And while diversity in gender and heritage is one consideration, diversity in expertise is another: many Boards continue to recruit engineers, lawyers, and finance experts. All worthy Board candidates but as interest in – and scrutiny of – ESG issues continues to rise what many Boards may be missing are the skills of social scientists experienced with conflict, engagement, and social license.

### ***Post COVID-19 Recovery and the Role for Mining Companies***

Post COVID-19 recovery and the lessons for mining companies and their communities of interest moving forward was a central theme during a year when many communities experienced lockdowns and when mining operations in several jurisdictions were halted to prevent the spread of the virus. A number of companies and associations, shared some of the best-practices they used to protect not only their workers and ensure they were supported through the realities of living with COVID-19. Details were shared about company efforts to assist surrounding communities and supply chains. This triggered a collective reflection for the members: what is the role for mining companies - both in Canada and abroad – in advancing sustainable development and support for local communities? The role for mining companies will be a key point of discussion as we consider the lessons learnt from this global health pandemic.

### **LOOKING AHEAD**

The COI is committed to continuing its work with MAC and members of the association on the journey towards sustainable mining. Each year the COI conducts a materiality assessment (Figure 1) to identify the important - and sometimes difficult - issues that the Panel will consider. We anticipate that in 2022 we will continue discussions on a number of complex topics introduced in previous years: Indigenous rights and reconciliation; equity, diversity and inclusion (EDI); climate change and the role of mining in our transition to a low carbon economy; the environment, social and governance (ESG) impacts of mining; the mining supply chain and responsible sourcing; questions of taxation and tax justice; and, trust and transparency.

We hope 2022 will see us transition from COVID-19 to recovery, plan for a just transition to a low carbon economy, and deliver progress on the United Nations Sustainable Development Goals. While the COI agenda will continue to evolve to incorporate contemporary issues in the relationship between mining and society, an ongoing theme of our work will be the need to see a mining sector that is transparent, responsible, and inclusive, and acts as a catalyst for the sustainable development of resource-rich regions. We feel the diversity of perspectives represented on the COI ideally positions us to raise issues, challenge assumptions, and champion change. We look forward to our ongoing work.

## **SECTION 2: PANEL BUSINESS - A YEAR IN REVIEW**

In 2021 the COI Panel members participated in April and October meetings, participated in a call on reconciliation, and attended an EDI workshop in September. During the April meeting, COI Panel members identified the following issues as relevant to the mining sector.

- COVID-19 (health and safety)
- COVID-19 (community engagement)
- Climate Change (general)
- Climate change (low carbon transition)
- Indigenous rights and reconciliation
- Effectiveness of community engagement
- Equity, diversity, and inclusion
- The Canadian Ombudsperson for Responsible Enterprise (CORE)
- Tax justice and fair taxation
- Environment law and regulatory reform implementation
- Transparency and reporting (public trust)
- Gender-based violence and sexual harassment

These issues were placed on a materiality matrix (see Figure 1) that guided the COI agenda for 2021. In addition to the material issues described in the previous section, the COI also discussed a number of issues directly related to the Panel’s ongoing work with TSM.

### ***General business***

During the Fall 2020 meeting, the Panel discussed the possibility of a 1-year extension to avoid recruiting and onboarding new members during the pandemic. The Panel agreed with this approach and all members subsequently accepted the 1-year extension. As a result, there will be no Panel members leaving at the end of 2021. The Panel may choose to recruit under the expert category if it is determined that there is a gap in knowledge that needs to be filled.

With growing interest in TSM, MAC is considering a more rigorous and consistent screening process for new MAC members and for companies outside of TSM-implementing jurisdictions. In addition, MAC updated the Panel on its efforts to examine responsible sourcing of materials for supply chains.

## ***TSM Protocol Reviews***

In May 2021 MAC approved the new [TSM Climate Change Protocol](#), later accompanied by the [Guide to Climate Change Adaptation for the Mining Sector](#). The Climate Change Protocol was an update of the previous “Energy Use and GHG Emissions Management Protocol” to reflect a more comprehensive approach to climate change mitigation and adaptation at both the corporate and community levels. Implementation, with the first internal reports, is expected in 2022, with first public reports to follow in 2023.

In mid-2021, TSM Initiative Leaders began to develop a scope of work for possible TSM requirements related to EDI. This was followed up by an EDI Workshop in September that will likely lead to the development of a new TSM Protocol over the course of 2022.

MAC is proposing a review of the Crisis Management and Communications Planning Protocol in 2022, with input from the COI panel. This would subject the Crisis Management and Communications Planning Protocol to minor reviews in 2022.

## ***Post Verification Review (PVR): Syncrude and Baffinland’s Mary River Mine***

Syncrude and Baffinland were chosen to undergo PVR in 2020, however due to the COVID-19 pandemic the PVR was delayed until April 13<sup>th</sup> 2021 for Syncrude and June 21<sup>st</sup> 2021 for Baffinland. A separate [Post Verification Review Report 2021](#) containing the full results of the PVR discussions can be found on the MAC website.

Some of the key takeaways from the PVR discussions include:

- Aboriginal and community outreach, including local procurement, with discussions around how the respective companies implement Impact Benefit Agreements. There was a good discussion on how Syncrude defines and reports on social performance metrics. For Baffinland, there was discussion on Inuit employment as well as the public hearing process underway as part of the proposed Mary River mine expansion and regulatory review.
- Health and safety topics were addressed by both companies, in particular discussions on how the companies were adjusting their COVID-19 safety protocols with the emergence of the more virulent Delta variant.
- Energy and GHG emissions were discussed for both companies with a focus on climate change impacts and research activities that could help reduce carbon footprints.
- Tailings management and reclamation activities were a focus for Syncrude. Biodiversity and conservation management were the focus of discussions with the Baffinland team, particularly how the company’s shipping activity in Marine Protected Areas might impact Inuit fishing and hunting activities.

### ***Equity, Diversity, and Inclusion Workshop***

Prior to the October 2021 COI meeting, a workshop was hosted with five EDI subject matter experts. The workshop objectives included:

- Gaining targeted insights from external experts regarding emerging best practices and challenges regarding EDI in the mining sector.
- Supporting MAC members and communities of interest to establish initial parameters for a scope of work on possible TSM requirements related to EDI.

### ***TSM Awards of Excellence***

Each year the COI Panel reviews application for two awards of excellence: one in community engagement and one in environmental excellence. In 2021, the awards went to Agnico Eagle's Pinos Altos Complex in Mexico as the winner of the Community Engagement Excellence Award; and IAMGOLD's Essakane mine as the winner of the Environmental Excellence Award. Winners were formally announced at the Canadian Institute of Mining's 2021 Virtual Convention held in May 2021.

#### **FOR MORE INFORMATION:**

On the TSM COI Panel and membership: <https://mining.ca/towards-sustainable-mining/community-of-interest-advisory-panel/>

On the Towards Sustainable Mining standard: <https://mining.ca/towards-sustainable-mining/>

On the Mining Association of Canada: <https://mining.ca/>

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