



2022 COI Panel Annual Statement

1. INTRODUCTION

At the close of each year, the Towards Sustainable Mining (TSM) Community of Interest (COI) Panel takes a moment to reflect on the past 12 months. Now in its 18th year, the COI panel brings together individuals that can speak to the interests of Indigenous Peoples, environmental and civil society organizations, as well as bring specific knowledge and expertise in economic and community development, finance and investment, labour relations, Canadian law, international development, and the mining industry. The panel's overarching objective is to support Mining Association of Canada (MAC) members wishing to secure a position for their company as best in the world and best for the world.

Conversations about mining and sustainability are not always easy. But panel members pride themselves on creating a place for robust dialogue on difficult issues. The group comes together twice a year to conduct official panel business, with individual members meeting more frequently within working groups or to attend webinars and presentations on topical issues. As part of panel meetings, members identify and map the issues of greatest importance for their respective communities of interest. Top issues identified in 2022 are reflected in Figure 1.

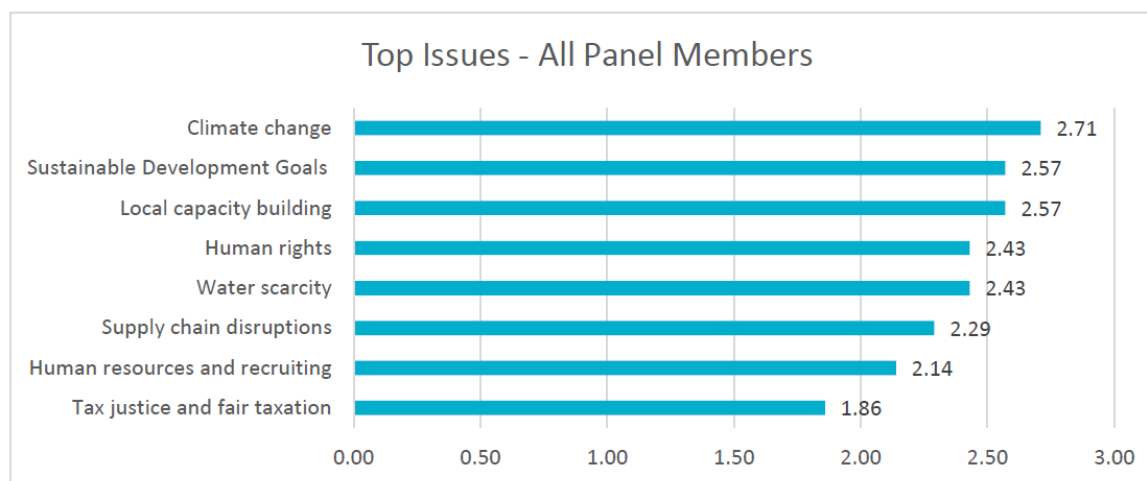


Figure 1 – Top issues of importance for COI in 2022

2. 2022 YEAR IN REVIEW

In 2022, panel conversations were wide ranging but clustered around four issues.

- **Critical minerals.** Canada will play an important role in providing the metals, minerals and materials needed for our transition to a low carbon economy. A number of these minerals are now classified as “critical” in a net zero carbon world. The panel had the opportunity to learn from experts about the Government of Canada’s \$4 billion Critical Minerals Strategy. Those sessions shaped conversations on the need for a just energy transition for workers, companies, and communities: a topic related to the next two areas of focus.



- **Environmental, social and governance (ESG) performance.** The growing interest by the mining sector – and its investors – in ESG has led to the development of several new standards and reporting protocols. There is little comparability across the various standards, and this has led to calls for convergence. The panel is following discussion about the potential merger of various standards closely and has specific interest in how convergence conversations will impact, or elevate, TSM. In 2022, the mining association of Guatemala joined Spain, Finland, Norway, Botswana, Argentina, Brazil, Colombia, the Philippines, Australia, and Canada in implementing TSM. When compared to other voluntary industry standards, a unique feature of TSM is the requirement for a national COI Panel. The panel believes that this is an important governance oversight feature of TSM to safeguard in any convergence planning.
- **Diversity, equity, and inclusion (DEI).** In 2022, a frequent topic of conversation within the mining sector was the need for improved performance on issues related to DEI. The panel played an active role in the drafting of a new Inclusive and Respectful Workplaces Protocol for TSM. The new protocol is expected to be introduced in 2023 following approval by MAC's Board of Directors.
- **Post Verification Review (PVR).** On an annual basis, the panel conducts a PVR of two MAC member companies' TSM performance. The dialogue portion of the process provides Panel members with an opportunity to question company representatives about their approach to TSM implementation and reporting. In 2022, the two sites selected for review were both located in British Columbia (BC): Copper Mountain Mine and Highland Valley Copper. As a result, the PVR dialogue was held in Princeton, BC during the spring meeting. The questions posed by Panel members during the PVR dialogue can generate tension. However, this year, the calibre of the conversations was impressive. While the questions were challenging, both panel members and company representatives engaged in conversations that focussed on achieving the mutual goal of improving transparency, operations, reporting, and engagement. One area where the panel feels there is room for improvement in the PVR process is for the panel to hear from some of the selected companies' own communities of interest to complement – and strengthen – the information shared by company representatives.

3. REFLECTIONS

To better understand the strengths of the panel, a series of interviews and focus groups were conducted in 2022 with current and past Panel members. The study found that members highly valued the interdisciplinary make-up of the group and the balance of voices that create deep dialogue. They also valued the opportunity to support the implementation, credibility, and accountability of TSM and these are strengths of the panel. Tim Johnston (Economic and Community Development Seat), who completes his term at the close of 2022, shares below his own reflections on his experience as part of the panel.

Parting words from Tim Johnston

With this being my final year on the panel, it is an opportunity to reflect both on the past year and on my time overall. In particular, the past year was a transition year for the panel, following a period where COVID-19 impacted “normal” activities. The panel was once again



able to return to meeting in-person for the spring and fall meetings. Both meetings provided a Zoom option for those, including myself, who were unable to attend in-person.

Based on my participation and review of meeting reports, my understanding is that the opportunity to meet in-person and the return to site visits (i.e., Copper Mountain Mine) was welcomed and beneficial. My sense is that the panel, with the support of MAC and Stratos, was very effective during COVID-19 and has emerged as a stronger and more cohesive group. I think this is extremely positive moving forward. The takeaway for me is that the panel must remain flexible and adaptive and use the strength of its members to continue to evolve.

Forming Deeper Connections

In my opinion, the greatest strength and asset of the panel are its' members and the wealth of knowledge, experience, and interest in mining that they bring. The ability to communicate and interact amongst members is, to me, where real value is created for the COI and MAC. In looking back, I think there has been a real positive evolution, which has been made possible because of the work and support of Stratos and MAC. The addition of the pre-meeting get-together a few years ago was a key change and, with the most recent addition of a social activity to the agenda, I think this will continue to improve.

When I first joined the panel, it seemed members selected the least intrusive travel plans. This often meant showing up just before meetings and leaving immediately afterwards. The only time for exchange was during coffee breaks or perhaps lunch on-site. I believe that adding more interaction time, away from the formal meetings, has fostered more interesting and varied discussions, which then enables more honesty and depth from members when back in the meetings and beyond. I know that I have made use of my connections and relationships with panel members in other areas of my life.

Evolution of the PVR Process

The second reflection from the meetings last year and over my term, is the evolution of the PVR process itself. It is my opinion that the PVR process has evolved positively over the years and now fosters a much more mutually beneficial dialogue for both companies and the panel. There appears to be more efforts around mutually supporting one-another in achieving a better understanding of the protocols and how to make TSM a tool for improvement in the industry, versus a review of the grading and discussion of the score.

My first few PVR cycles were a far different experience than those from the last few years. Initially, although not intentional, it often felt like an atmosphere of confrontation was created, from basic things such as the meeting location, the layout of the room, and the tone of the exchange. I feel that today a much more positive environment has been created, where meaningful dialogue occurs. I go back to the Copper Mountain PVR, and my takeaway was some real honest discussion where the company relayed success and challenges and the panel, with its experience, was able to provide advice.



Recruiting Panel Members

The last reflection that I will share is with regards to my experience over the last year on the panel Renewal Working Group. First, thanks to Steven Walker (Finance and Investment Seat) who did a great job chairing the process. Overall, I was really impressed with the quality of the applicants and the process used to interview and recommend a candidate. It is extremely positive to receive interest from strong candidates. I was extremely pleased that the far north will now be represented with another strong grassroots Indigenous voice. I think this perspective is critical for the panel.

The panel can invite guests to fill gaps in specific expertise, or build on the knowledge of panel members, to unpack the various topics discussed. But I think of the extremely honest and valuable input from the panel's Indigenous members - Dan, David, Graeme, and Theresa - over my time and I think it has been to the benefit of the panel to hear their perspective and gain their insight and knowledge of the mining industry and TSM implementation at the community level.

If I was to offer one other comment, it is that I was disappointed that no applications were received from women. Upon reviewing the applications received, I believe all were self-nominated. If the panel and MAC wants to achieve a greater degree of gender diversity, which has been an ongoing discussion throughout my time on the panel, it will need to be more proactive in seeking diverse applicants.

Closing

Lastly, I have enjoyed my time on the panel immensely. I have gained and learned a great deal. I am from a small mining community often referred to as being in the "middle of nowhere". My first couple of years I really struggled with my role on the panel and had considered resigning as I did not see a fit. Thanks to Michael (Stratos) and Ben (MAC) and many other panel members who took the time to talk and listen. As a result, I gained a better understanding and feel for the role. I also, somewhat selfishly, decided to use my time on the panel as an opportunity to learn from the many insightful and, quite frankly, brilliant people who guided me on issues such as climate, environment, diversity, and so many others.

In hindsight, I think the most memorable achievement during my time on the panel was the Indigenous and Community Engagement Protocol. The conversation was honest, and I sensed a real willingness, commitment, and desire from all the panel members to try and develop the protocol. To me, that best reflects my opinion of the COI Panel. On whatever issue or protocol is being discussed, panel members themselves provide the expertise needed, but more importantly, the willingness and desire to work for the betterment of TSM and MAC. The panel members are the panel's greatest strength and, as said previously, asset. The continuing rotation of new members and varied perspective will ensure this remains.

I thank the COI Panel for the time and opportunity to learn more about mining and TSM. All the best in the future!

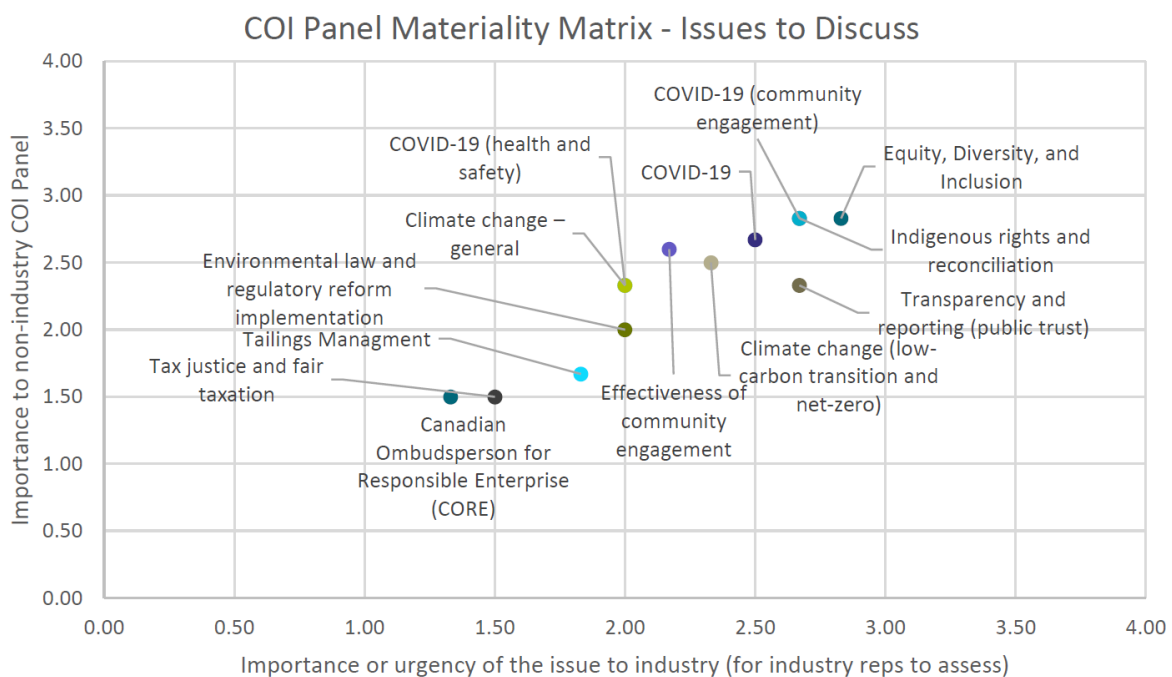


4. Looking Ahead

As the year draws to a close, the COI panel would like to thank Tim Johnston who has served on the COI since 2016 representing the perspective of Economic and Community Development.

Revisiting the materiality matrix, developed by panel members in 2022, will be an important first step in 2023. Some of the social, environmental, and economic challenges facing the world remain regrettably constant from year-to-year but climate change, geopolitical issues, conflicts, and crises can shift the balance. The commitment of the panel is to remain vigilant in our effort to assess material issues and support continued movement of TSM.

Figure 2 – 2022 COI Panel Materiality Matrix



For more information about the COI panel, its terms of reference, membership and work, please visit <https://mining.ca/towards-sustainable-mining/how-tsm-works/community-of-interest-advisory-panel/>