

***Mining Association of Canada (MAC) presentation,  
Toronto Metropolitan University CSR Institute panel  
discussion***

***June 2, 2023***



The Mining Association  
of Canada

L'association minière  
du Canada

# Agenda

- Canadian mining and MAC
- Towards Sustainable Mining (TSM)
- Government of Canada: Forward Looking Vision for the Mining Sector (with focus on Critical Minerals)
- MAC public opinion research
- MAC engagement in federal government and Parliamentary RBC-related initiatives:
  - Bill S-211 The Fighting Against Forced Labour and Child Labour in Supply Chains Act
  - Canadian Ombudsperson for Responsible Enterprise (CORE)
  - RBC Strategy and development of a national standard for Canada



# MINING WITH STRONG VALUES

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The Mining Association of Canada (MAC) is the voice of the mining industry and seeks to generate greater awareness around important areas in the sector from reclamation to partnerships with Indigenous communities. The sector is a major economic driver in our Canadian economy and a great contributor to jobs and leading technologies.



- MAC is the national voice of Canada's mining industry
- Advocacy – to advance the business of mining
- 50+ members in iron ore, gold, diamonds, oil sands, steelmaking coal, base metals and uranium
- 50+ members in engineering, environment and finance
- Members engaged in exploration, mining, smelting, semi-fabrication and supply

# Canadian Mining By the Numbers

- 3,700 companies provide goods and services to the industry
- Canada's largest shipping customer:
  - >50% of rail freight revenue
  - 40% of maritime bulk volume
- ~22% (\$127 billion in 2021) of Canada's total domestic exports
- One of the safest jurisdictions for mining in the world
- Largest economic driver in Canada's Arctic
- Global Centre for Mineral Finance:
  - The Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV) are the world's number one mining and exploration listing venues

## CANADIAN MINING MATTERS

**A WORKFORCE  
OF CLOSE TO  
700,000, BUILDING  
OUR ECONOMY**



**A WORLD LEADER IN  
THE MINING SECTOR**

Exporting Canadian expertise around the globe, through Towards Sustainable Mining™ program



**BUILDING  
RELATIONSHIPS WITH  
INDIGENOUS  
COMMUNITIES**



**CONTRIBUTING TO A CLEANER, LOW-CARBON FUTURE**

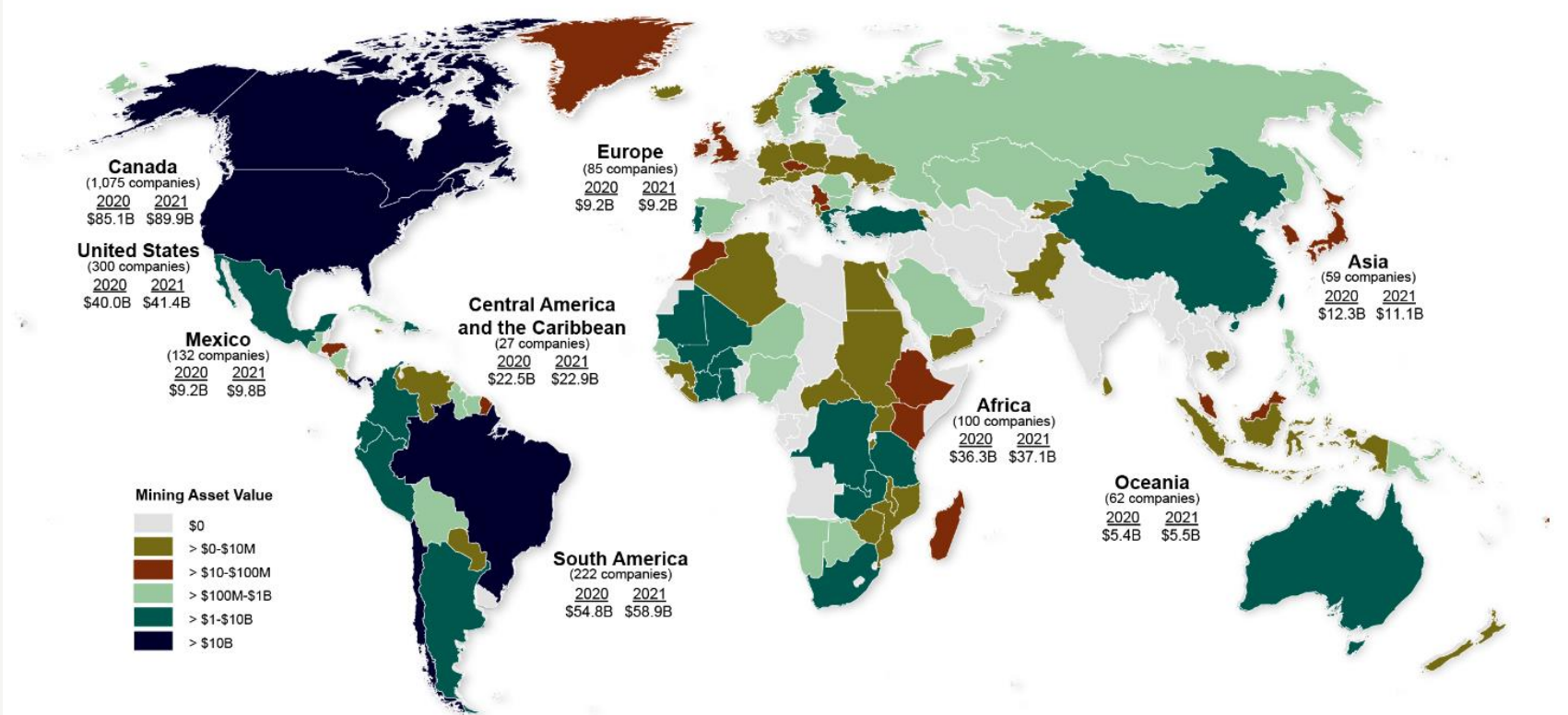
We provide essential materials for green innovation while practicing responsible mining.



# Canadian mining assets (CMAs) located abroad, by region (2021, source: NRCan)

Figure 1: Geographic distribution of CMAs, 2021 (p)

(1,412 companies with \$285.8 billion in mining and mineral exploration assets)



# Metals and Minerals: Essential to Low-Carbon Technologies

Car body and frame made from strengthened steel and aluminum alloys

26	25	23	42	13	12
Fe	Mn	V	Mo	Al	Mg
Iron	Manganese	Vanadium	Molybdenum	Aluminum	Magnesium

Canadian Mining

Mining makes the cars of today and tomorrow possible

EV batteries

3	27	28	6
Li	Co	Ni	C
Lithium	Cobalt	Nickel	Carbon

Copper

29
Cu
Copper

Connectors  
Brazing  
Bearings

Magnets in EV motors

69	60
Dy	Nd
Dysprosium	Neodymium

The world gets more mileage from Canadian mining

The mining industry plays an essential role in the transition to a low carbon future by providing the building blocks of clean and low-carbon technologies, like electric car batteries. In fact, the growing adoption of these technologies is increasing the demand for minerals and metals.

14 of the 19 minerals and metals used in solar PV panels come from Canadian mines.

48	52	42	4	32	31
Cd	Te	Mo	Be	Ge	Ga
Cadmium	Tellurium	Molybdenum	Beryllium	Germanium	Gallium

Solar panels

5	15
B	P
Boron	Phosphorous

Semi-conductor

49	47	14
In	Ag	Si
Indium	Silver	Silicon

Mining makes renewable energy generation possible

Canada's mining industry produces the minerals and metals used to build sustainable technologies

Mining is essential to a low carbon future with clean energy and "green" products requiring metals and minerals as building blocks. In fact, 14 of the 19 metals and minerals used in solar PV panels come from Canadian mines.

Frame

13	22
Al	Ti
Aluminum	Titanium

30	12
Zn	Mg
Zinc	Magnesium

Alkaline batteries e.g. toys and electronics

30	25	19
Zn	Mn	K
Zinc	Manganese	Potassium

Silver-oxide batteries e.g. watches, calculators

47	30	19
Ag	Zn	K
Silver	Zinc	Potassium

Canadian Mining

Electric vehicle batteries

3	27
Li	Co
Lithium	Cobalt

28
Ni
Nickel

LI-ION ELECTRIC VEHICLE BATTERY

Mining makes emerging technologies possible

Lithium-ion batteries i.e. mobile phones

3	27	6
Li	Co	C
Lithium	Cobalt	Carbon

95% of cobalt, lithium and graphite in batteries can be reused.

Driving towards a low-carbon future

Canada's mining industry is providing the responsibly sourced minerals and metals (not corner cutting) needed, including materials for coal, nuclear, including wind, oil, gas, coal, and many more.

Magnet generation

26	60	5	66
Fe	Nd	B	Dy
Iron	Neodymium	Boron	Dysprosium

Steel used to build turbines

26	6
Fe	C
Iron	Carbon

Battery energy storage

3	28	25
Li	Ni	Mg
Lithium	Nickel	Magnesium

27	6	23
Co	C	V
Cobalt	Carbon	Vanadium

Mining makes wind power generation possible

Corrosion protection

42	30
Mo	Zn
Molybdenum	Zinc

Control

29	14
Cu	Si
Copper	Silicon

Aluminum

13
Al
Aluminum

Blades

When we explore for minerals and metals we are finding renewable sources of energy too:

Way up in northern Ontario, Glencore's Tropic Mine is exploring about 100 km<sup>2</sup> of wind power. The wind turbine and energy storage facility - the first in Canada - has helped reduce the mine's greenhouse gas emissions and has the potential to transform the North's energy landscape.

More than 220 tonnes of coal is required to build a wind turbine.



## ***Towards Sustainable Mining***

***Equitable, Diverse, and Inclusive Workplaces &  
Safe, Healthy, and Respectful Workplaces***

# Towards Sustainable Mining®

## What is Towards Sustainable Mining?



Towards Sustainable Mining™ (TSM) is an award-winning commitment to responsible mining. The program was established in 2004 and its main objective is to enable mining companies to meet society's needs for minerals, metals and energy products in the most socially, economically and environmentally responsible way.



### MINING IS ESSENTIAL

From the metals needed to power our transportation to the materials required to make communication possible, it is impossible to imagine a reality without it.



### THE FUTURE NEEDS MINING

Mining is essential in our transition to a low carbon economy, one that requires mined minerals and metals to be fully realized.



### RESPONSIBLE MANAGEMENT

It is important that standards be in place to ensure that the process of mining is being managed responsibly, from start to finish.



### COMMUNITY ENGAGEMENT

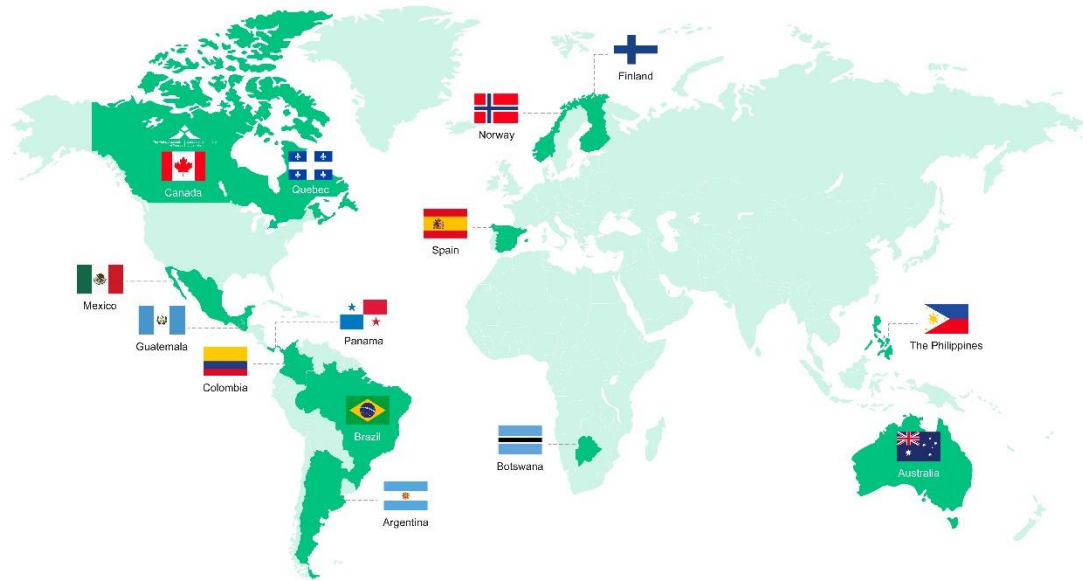
Today, communities expect more from mining companies and the industry expects much more of itself.

TSM consists of seven core components:

1. Guiding Principles
2. Performance Indicators
3. Facility Level Reporting
4. Independent Verification
5. Public Reporting of Facility Level Reporting
6. Condition of Membership
7. Community of Interest Advisory Body



# TSM – A Global Responsible Mining Standard



- Adopted by national associations in 13 countries on 6 continents
- Over 200 companies actively implementing TSM globally
- 61 mines in Canada alone are fully implementing TSM with verification and public reporting
- In 2021, Finland became the first country outside of Canada to begin reporting and verifying TSM results at their 7 mines
- 6 national Community-of-Interest panels up and running with more in development

# Network of National Community of Interest Panel

- Each national association implementing TSM is required to establish a COI Panel
- MAC's Panel is comprised of individuals from:
  - Indigenous groups
  - Communities where mining is active
  - Environmental and social NGOs
  - Academia
  - Labour
  - Financial organizations
  - Select members of the Mining Association of Canada's Board of Directors



- **Independently facilitated and arms length appointment process**
- **Critical perspectives on emerging issues**
- **Annual reviews of company performance**

# TSM Protocols



**Communities & People**



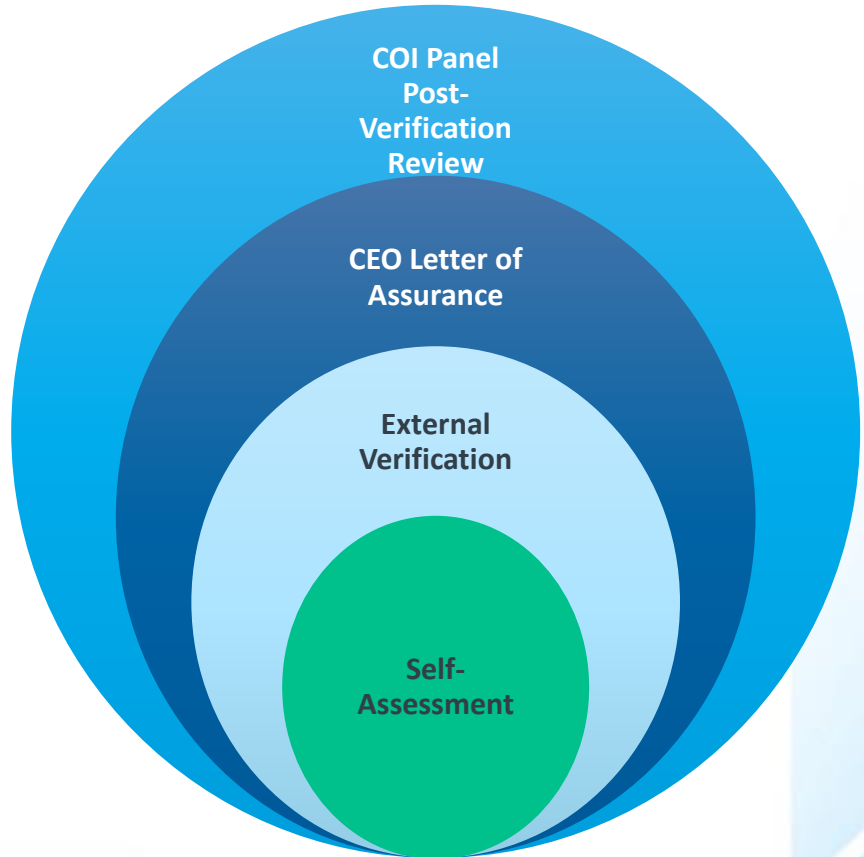
**Environmental  
Stewardship**



- Tailings Management
- Biodiversity Conservation Management
- Water Stewardship
- Climate Change
- Indigenous and Community Relationships
- Safety and Health (Under revision)
- Crisis Management and Communications Planning
- Preventing Child and Forced Labour
- Equitable, Diverse, and Inclusive Workplaces (In development)

# Verification Process

- Annual self-assessments
- External verification of self-assessments by trained verifiers every three years
- Verification reports published as of 2022
- Advanced community notice of verifications and community inclusion
- Letter signed by CEO that the results are externally verified according to requirements
- Potential for selection by the Advisory Panel for a post-verification review



# Government of Canada: Forward Looking Vision for the Mining Sector

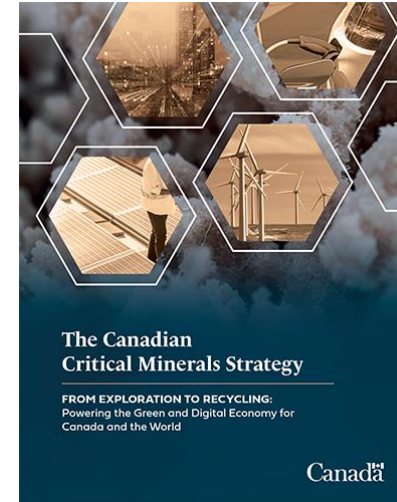


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# Government of Canada: Forward Looking Vision for the Mining Sector

- On December 9<sup>th</sup>, 2022 the Government of Canada announced **Canada's Critical Minerals Strategy (CMS)** to increase the supply of responsibly sourced critical minerals and support the development of domestic and global value chains for the green and digital economy. The Strategy's five core objectives are:
  - Support economic growth, competitiveness and job creation
  - Promote climate action and environmental protection
  - Advance reconciliation with Indigenous peoples
  - Foster diverse and inclusive workplaces and communities
  - Enhance global security and partnerships with allies: 21st century industrial strategy that is built on Canada's strength as a globally-leading supplier of sustainably produced minerals and metals needed to enable the energy transition.
- The CMS is a 21st century industrial strategy that is built on Canada's strength as a globally-leading supplier of sustainably produced minerals and metals needed to enable the energy transition.



# Government of Canada: Forward Looking Vision for the Mining Sector

- **Federal Budget 2023:** Builds on 2022 investment with recognition of the minerals and metals industry's central role in enabling the transition to a net zero economy and building Canada's future economy.
  - A **Clean Technology Manufacturing Tax Credit equal to 30 per cent of the cost of investments in new machinery and equipment** used to extract, process or recycle critical minerals essential for clean technology supply chains
  - A **15 per cent refundable tax credit for eligible investments in clean electricity generation systems, including large-scale and small modular reactors**
  - A commitment to **improve the efficiency of the impact assessment and permitting processes for major projects** by the end of 2023
  - A re-allocation of \$1.5 billion within the Strategic Innovation Fund to **support projects in sectors including clean technologies, critical minerals and industrial transformation**
  - The **establishment of a \$1.5 billion Critical Minerals Infrastructure Fund, to be managed by Natural Resources Canada**
  - Supporting **loans to Indigenous communities to support them in purchasing equity stakes in major projects** through the Canada Infrastructure Bank



# Abacus opinion polling results – Canadian mining abroad



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# CRITICAL MINERALS

THERE ARE A NUMBER OF MINERALS THAT ARE BECOMING KNOWN AS CRITICAL MINERALS BECAUSE THEY ARE AMONG THE COMPONENTS THE WORLD NEEDS FOR EMERGING NEW TECHNOLOGIES SUCH AS SMARTPHONES AND COMPUTERS AS WELL AS CLEAN ENERGY TECHNOLOGIES SUCH AS SOLAR PANELS, WIND TURBINES, AND EV BATTERIES. CHINA IS CURRENTLY A MAJOR PROVIDER OF THESE, HOWEVER CANAD HAS AN ABUNDANCE.

**DO YOU SUPPORT OR OPPOSE CANADA TAKING STEPS TO INCREASE OUR ROLE IN MINING AND PRODUCING THESE CRITICAL MINERALS FOR WORLD MARKETS ?**



# Towards Sustainable Mining

CANADA IS THE FIRST COUNTRY IN THE WORLD WHERE THE MINING INDUSTRY CREATED A PROGRAM OF ENVIRONMENTAL BEST PRACTICES, KNOWN AS TOWARDS SUSTAINABLE MINING (TSM) THIS PROGRAM INCLUDES PRACTICES THAT COMPANIES MUST ADHERE TO, REPORT ON PUBLICLY, AND HAVE INDEPENDENTLY VERIFIED. THE PROGRAM IS NOW BEING EMBRACED IN AUSTRALIA AND SEVERAL OTHER MINING COUNTRIES IN AFRICA, ASIA EUROPE AND SOUTH AMERICA.

**DOES KNOWING THIS IMPROVE YOUR PERCEPTION OF HOW CANADIAN MINING COMPANIES OPERATE?**

SIGNIFICANTLY

35%

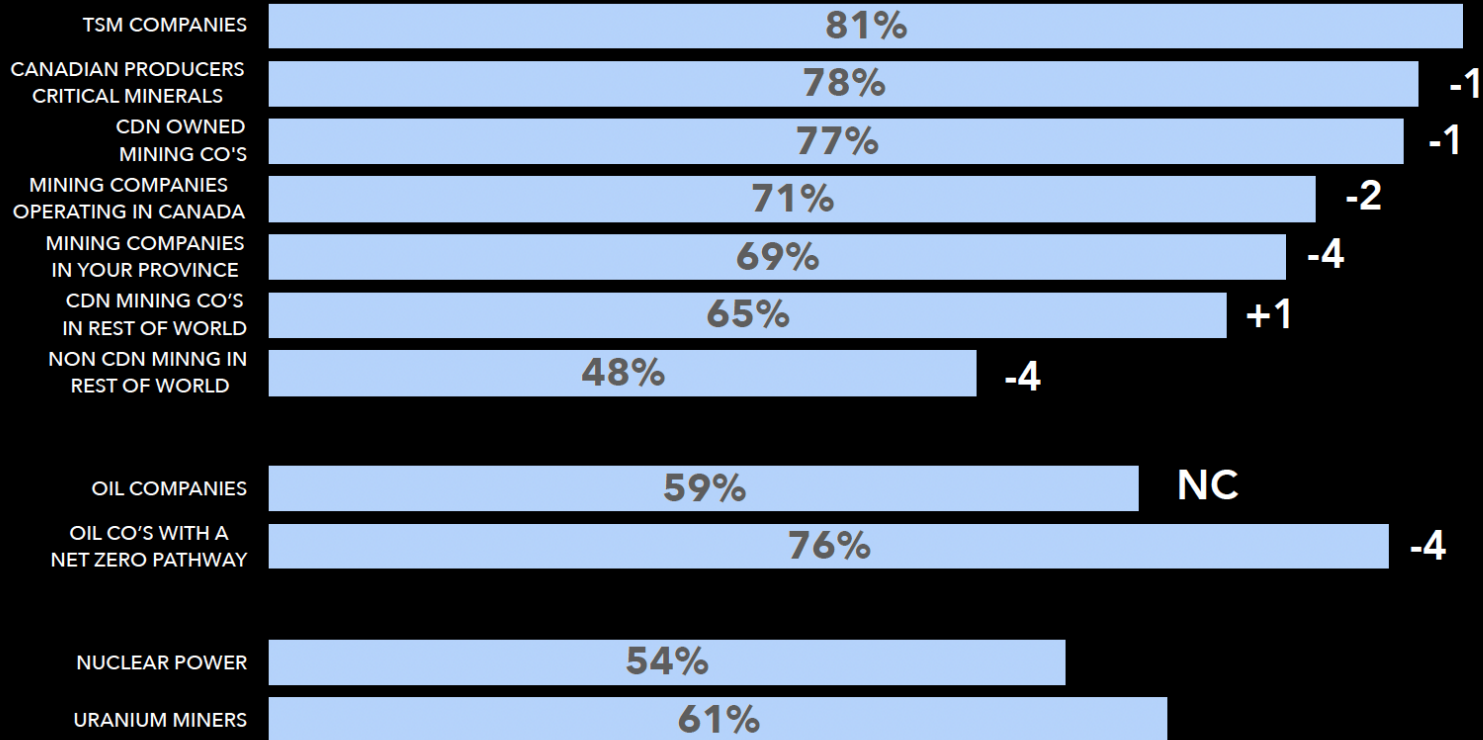
SOMEWHAT

53%

TOTAL IMPROVE

88%

# REPUTATION OF MINING SECTOR (2023)



■ FAVOURABLE

# MAC engagement in federal government and Parliamentary RBC-related initiatives



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# MAC engagement in federal government and Parliamentary RBC-related initiatives

## **Bill S-211 *The Fighting Against Forced Labour and Child Labour in Supply Chains Act***

- MAC engaged with Quebec Senator Miville-Dechéne in the development of Bill S-211 (and her previous attempts/Bills: S-216 and S-211 v1) over several Parliaments.
- Other PMB.

## **Canadian Ombudsperson for Responsible Enterprise (CORE)**

- MAC's constructive engagement and support for the CORE (at all stages, including for the establishment of the office), and the "predecessor office", the Extractive Sector Corporate Social Responsibility (CSR) Counsellor.
- Status of current complaints received (13 garment, 2 mining).

# MAC engagement in federal government and Parliamentary RBC-related initiatives

## Responsible Business Conduct (RBC) Strategy

- On April 28<sup>th</sup>, 2022, the federal government through Global Affairs Canada (GAC) unveiled its new Responsible Business Conduct Strategy, Responsible Business Conduct Abroad – Canada’s Strategy for the Future.
- All-sector application.
- Development of a Due Diligence/RBC national standard for Canada