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Sustainable Resource Extraction in the Arctic

Finnish Network for Sustainable Mining

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Problem setting: from crisis to cooperation

- Mining boom in early 2000 => strong investments in Finnish mining sector
- The environmental accident in Talvivaara was a turning point in October 2012 => roundtable process launched by the Finnish government in November 2012
- National action plan for sustainable mining published in May 2013
- Contained 35 proposals: two of them pointed out the need for improved dialogue and better monitoring and mitigation of social and environmental impacts
- The Finnish Innovation Fund took the lead in preparing a new platform for cooperation

Mining in Finland in a nutshell

- long tradition
- geological data and ore potential
- existing infrastructure
- high educational level
- political and social stability
- mining and processing cluster
- security

Challenges & developing issues

- social licence to operate and reputation
- conflicts in land-use
- investments and financing
- volatile commodity prices
- long throughput time for permits
- discussion around uranium
- perception of foreign-owned companies



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Building blocks and structure: the network

- Established in May 2014, coordinated by the Finnish Innovation Fund (Sitra) until the end of July 2015.
- **Members:** stakeholders that have signed the Statement of Intent, including the Finnish Mining Association, the Finnish Association for Nature Conservation, WWF Finland, the Association of Finnish Steel and Metal Producers, the Finnish Metalworkers' Union, the Regional Council of Lapland, the Association of Finnish Local and Regional Authorities, the Finnish Innovation Fund (Sitra), Finnish Industry Investment Ltd, and the Central Union of Agricultural Producers and Forest Owners (MTK).
- Chairperson: Hannele Pokka (Ministry of the Environment), Host organisation: the Finnish Mining Association. Board: equal representation from the mining sector, ENGOs, other livelihoods and local stakeholders.
- Focus of activities is in **voluntary action and self-regulation**.
- **Produced in cooperation with stakeholders:** a) toolbox for local actions; b) CSR report covering the activities of 19 mining and exploration companies in Finland; c) new sustainability standard for mining based on Canadian TSM initiative; and d) sustainability standard for ore exploration.





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Statement of Intent

We commit to working together within the Finnish Network for Sustainable Mining.

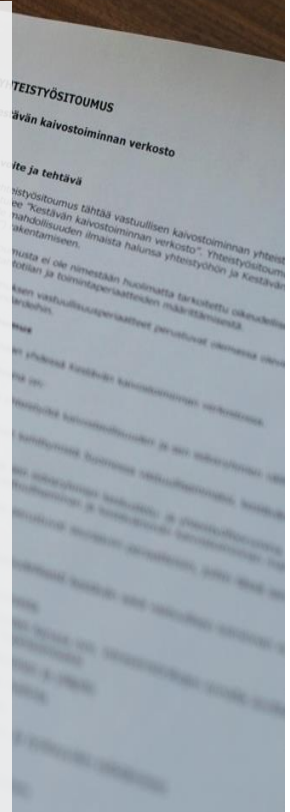
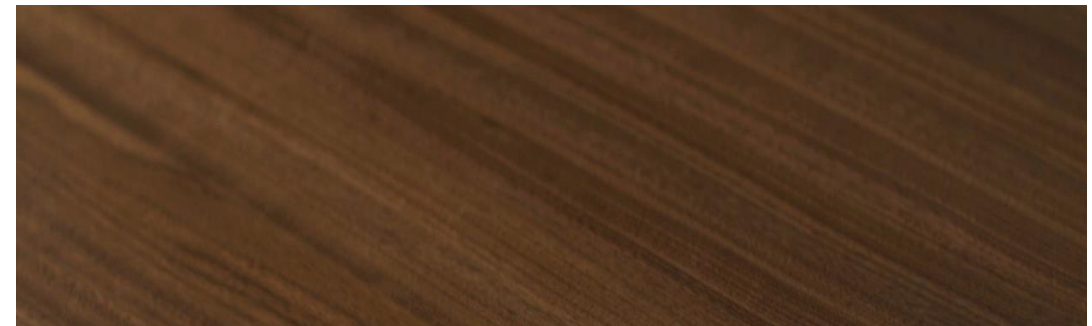
The aims of the network are to:

- develop an open, balanced and continuous dialogue and co-operation between the mining industry and its stakeholders, and;
- promote the development of more responsible, sustainable and predictable mining practices in Finland.

The network serves as a forum for discussion and co-operation between the mining industry and its stakeholders. It develops and customizes various tools for application in the Finnish operating environment, in order to enable more responsible and sustainable mining practices.

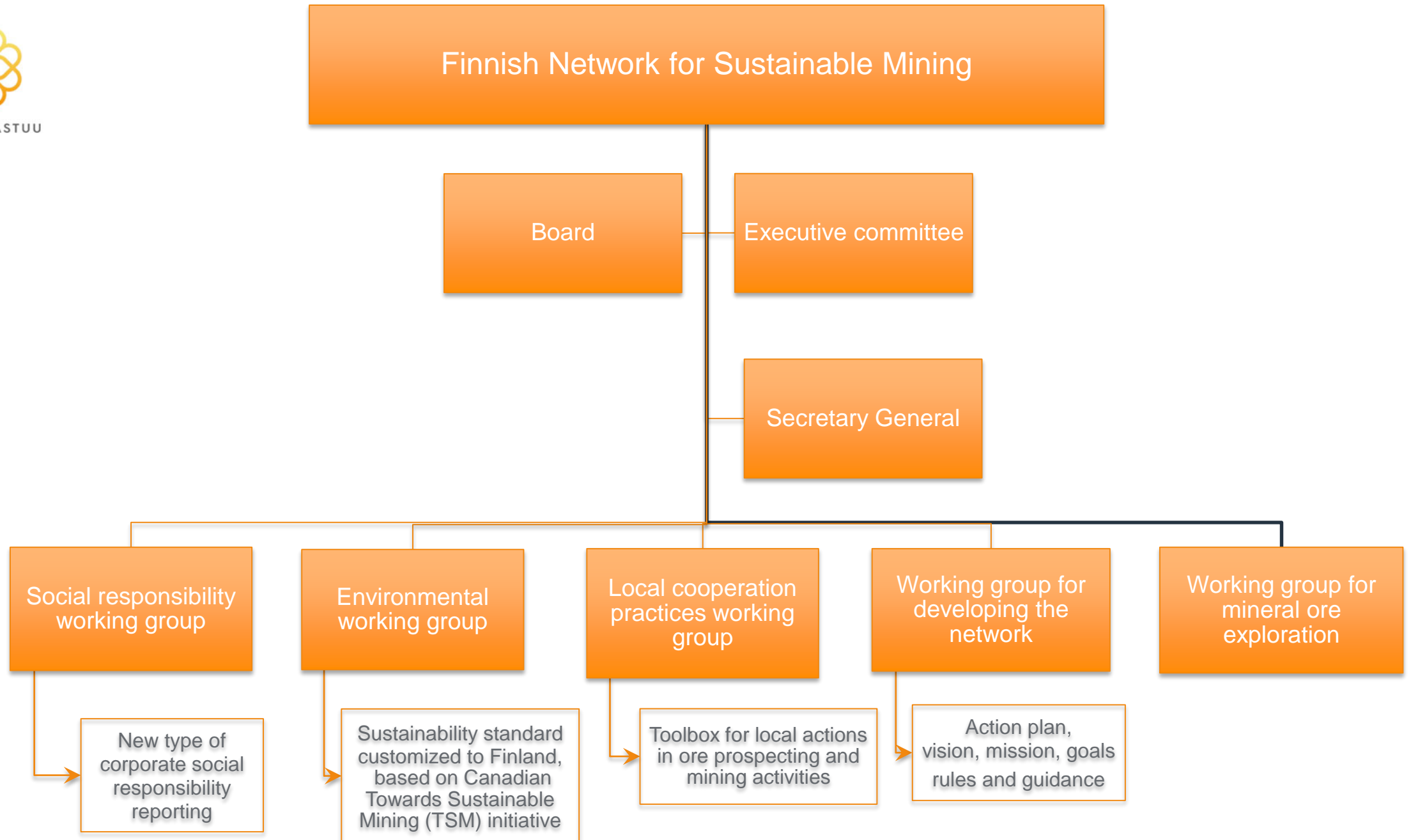
The network's cooperation activities and operations in general will be based on the following principles, to which we hereby commit:

- compliance with the law
- promoting mining practices that are responsible and ecologically, socially and economically sustainable throughout the life cycle of a mine
- transparent information on mining activities
- engagement in genuine dialogue with stakeholders, for example to settle any conflicts of interest in advance and take into account the operational needs of other economic activities
- protection and conservation of biodiversity;
- management of environmental and social impacts
- systematic and comprehensive risk management
- ensuring the well-being of employees and promoting employment
- protecting cultural heritage
- respecting the special rights of reindeer herding and the Sámi people.





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Searching for a new sustainability standard

- Working group representing the mining sector and its key stakeholders
- Commissioned a study on available mining standards in the world, including: Towards Sustainable Mining (TSM), IRMA, Enduring Value, ICMM Sustainable Development Framework, UNE standards, JSE Socially Responsible Index, e3+, ISO 26000, UN Global Compact, Equator Principles, IFC Performance Standards, OECD Guidelines for Multinational Enterprises, EIT and GRI
- Advantages of Canadian TSM:
 - a) Similar approach as in credit rating: national legislation represents lowest level (C), next steps B, A, AA and AAA
 - b) Companies report on an annual basis on their development and achievements in implementing the standard
 - c) External audit every three years to verify that reported achievements and level of implementation are correct

Finnish standard for sustainable mining

Eight protocols to enable the evaluation of mining companies operating in Finland

Biodiversity conservation management

1. Corporate commitment, accountability and communications
2. Planning and implementation
3. Reporting

Safety and health

1. Policy, commitment and accountability
2. Planning, implementation and operation
3. Training, behaviour and culture
4. Monitoring and reporting
5. Performance

Tailings management

1. Tailings management policy and commitment
2. Tailings management system
3. Assigned accountability and responsibility for tailings management
4. Annual tailings management review
5. Operation, maintenance and surveillance manual

Stakeholder involvement and community outreach

1. Stakeholder identification
2. Effective stakeholder engagement and involvement
3. Stakeholder feedback and response mechanism
4. Reporting

Energy use and GHG emissions management

1. Energy use and GHG emissions management systems
2. Energy use and GHG emissions reporting systems
3. Energy and GHG emissions performance targets

Crisis management

1. Crisis management preparedness
2. Internal review mechanism
3. Training and practicing

Closure of operations

1. Closure policy and commitment
2. Planning and implementation system based on life-cycle of the mine
 - 2A. Planning of closure
 - 2B. Gradual closure and accountability of management
 - 2C. Closure and post-closure activities
3. Reporting system on the closure of operations

Water management

1. Water management policy and commitment
2. Risk management and planning of water treatment
3. Water management and water treatment policy
4. Water management and water treatment reporting systems

There is a varying number (3-5) of evaluation criteria for each protocol.
For each criteria, there are separate levels (C-AAA) according to which the company is classified.



Latest developments

- Training courses on the implementation of the Finnish TSM held in 2016, 14 mining companies and three auditing companies participated
- First in-depth training on water and tailings management held in March 2017
- Guiding principles for mining and exploration finalised in spring 2017
- All key instruments (mining and exploration standards, toolbox for local actions, CSR report on 19 mining companies and introductory video) translated into English





Challenges and successes in design and implementation

Challenges

- The Sami parliament decided to opt out once the Finnish TSM was finalised
- The tourism industry has a conflict of interest in two ski resorts => never joined
- Maintaining the motivation of stakeholders once preparatory work has been finalised
- Ensuring the application of the Finnish TSM and its eight protocols to cover the lifecycle of mining activities in Finland
- Ensuring the autonomy of the network once funding from Sitra ends in 2018

Successes

- Clear motivation to come together and improve sustainability after Talvivaara
- Over 90% of the Finnish mining sector have pledged to implement the new standard
- Extra funding for training courses and for designing new sustainability standard for exploration
- Increasing interest abroad to learn from Finnish experiences
- Additional support from Sitra to translate all remaining documents into English



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Achievements so far

- Platform for interaction and trust between the mining sector and key stakeholders
- Common approach → cooperation and shared interests
- Tools: CSR report, best practices for local actions, new sustainability standards for mining and ore exploration
- Added-value to mining sector: site-related approach, instrument for risk management and public relations, comparability of actions
- Rating system adds up to the motivation to improve the sustainability of operations





Future prospects

- Maintain the network as an independent platform to improve the sustainability of mining and exploration
- Promote the implementation of its key instruments by producing separate training materials for corporate leaders, personnel and subcontractors in the mining sector
- Ensure the commitment of member organisations by organising joint events on mining, resource use and nature conservation
- Identify areas of conflicting interests as regions to be avoided
- Expand the network to new stakeholder groups, including entrepreneurs in tourism, regional governmental bodies and the Sami people
- Ensure transparency and openness when dealing with the audit and self-evaluation reports produced by the mining companies
- Convince the exploration sector to join our cause
- Long-term perspective: every mining and exploration company operating in Finland implements the network's standards



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Thanks!

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