

A high-angle photograph of two miners in safety gear (hard hats, high-visibility vests, and gloves) standing on a rocky, excavated site. One miner is holding a tablet, and the other is pointing towards it. The background is a large area of brown earth and rocks.

Towards Sustainable Mining (TSM) in the Philippines

First Implementation Year Report and Analysis

17 October 2024



Agenda

1. The business case and adoption of TSM
2. TSM Methodology
3. Protocol Results Overview
4. Overall Performance Analysis
5. ESG Policy Implications
6. Conclusion

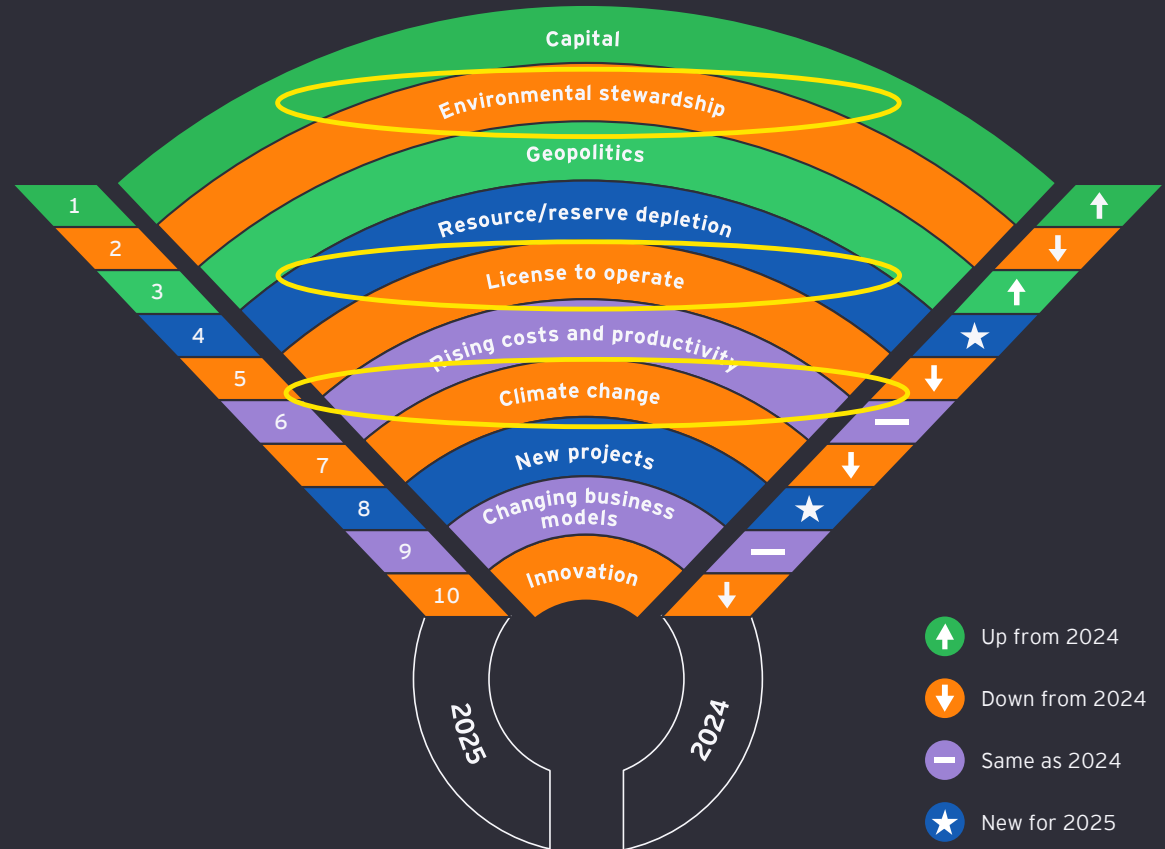
Presented by:



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*Partner, SGV & Co - Climate Change and
Sustainability Services,
Towards Sustainable Mining Verifier*

Top 10 business risks for mining and metals in 2025

- ▶ **Environmental stewardship** is a key priority has become the standout ESG issue
- ▶ Communities and governments **expect miners to do more** to support communities now and leave a positive legacy in the future; effectively **measuring and reporting value delivered to stakeholders** help miners secure **license to operate**
- ▶ **Climate change presents challenges to mining operations** in terms of productivity, safety and environmental impact



Source: Top 10 Business Risks and Opportunities for Mining and Metals in 2025, EY

Towards Sustainable Mining (TSM) Initiative and its Adoption

- ▶ Established in 2004 by the Mining Association of Canada
- ▶ TSM is a **performance system** that helps mining companies **evaluate and manage** their **environmental and social responsibilities**, and **publicly report** on their performance.
- ▶ Adopted by the Chamber of Mines of the Philippines in December 2017



CORE STRENGTHS:



Performance-driven



Fosters accountability



Promotes transparency



Possesses credibility

TSM Methodology

PERFORMANCE PROTOCOLS

COMMUNITIES AND PEOPLE



- › Crisis Management and Communications
- › Child and Forced Labor
- › Safety and Health
- › Community and IP Engagement

ENVIRONMENT AND CLIMATE CHANGE



- › Tailings Management
- › Water Management
- › Biodiversity Conservation Management
- › Climate Change

RATING SYSTEM

RATING SYSTEM: PASS OR FAIL

RATING SYSTEM: C, B, A, AA, AAA



FAIL = No systems in place, > PH regs
or C activities are reactive,
procedures may exist

SELF - ASSESSMENT

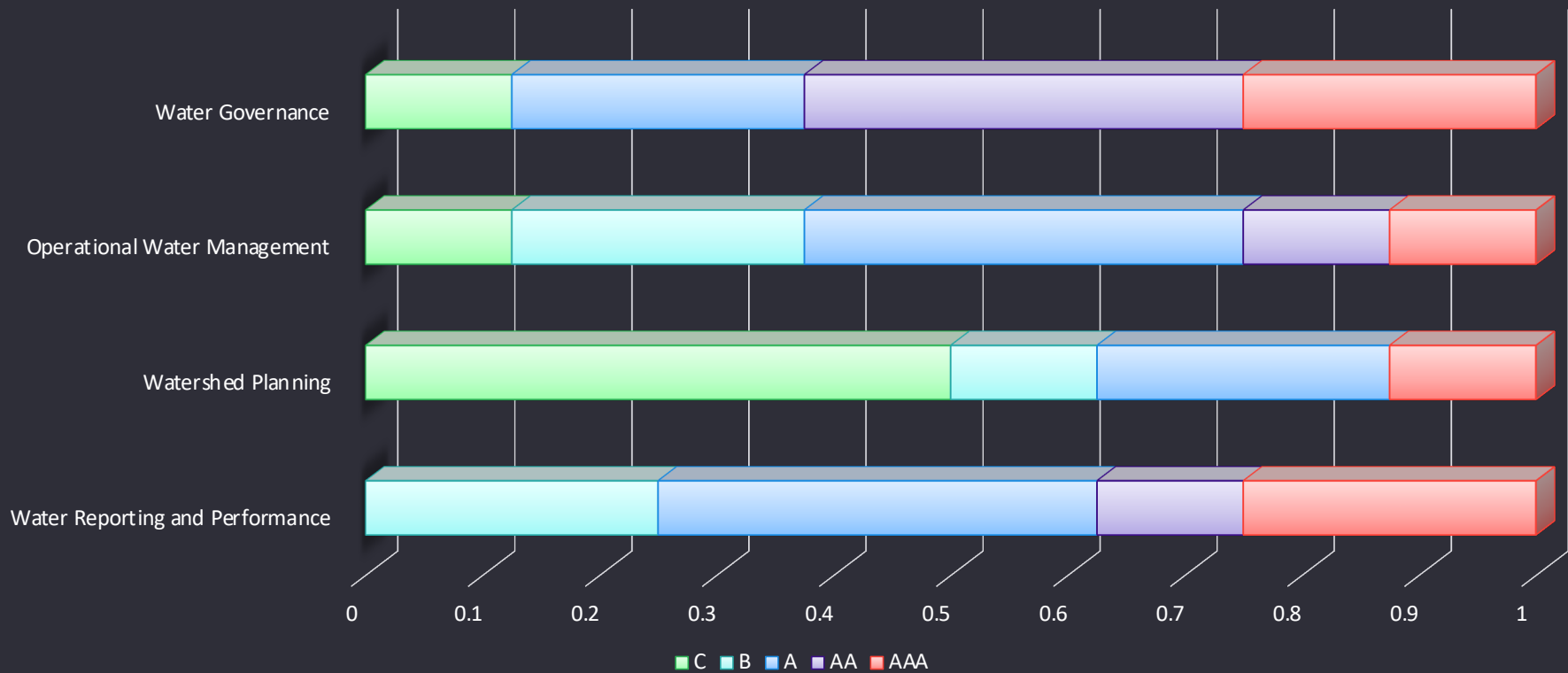


EXTERNAL
VERIFICATION

Protocol Results Overview

Water Stewardship

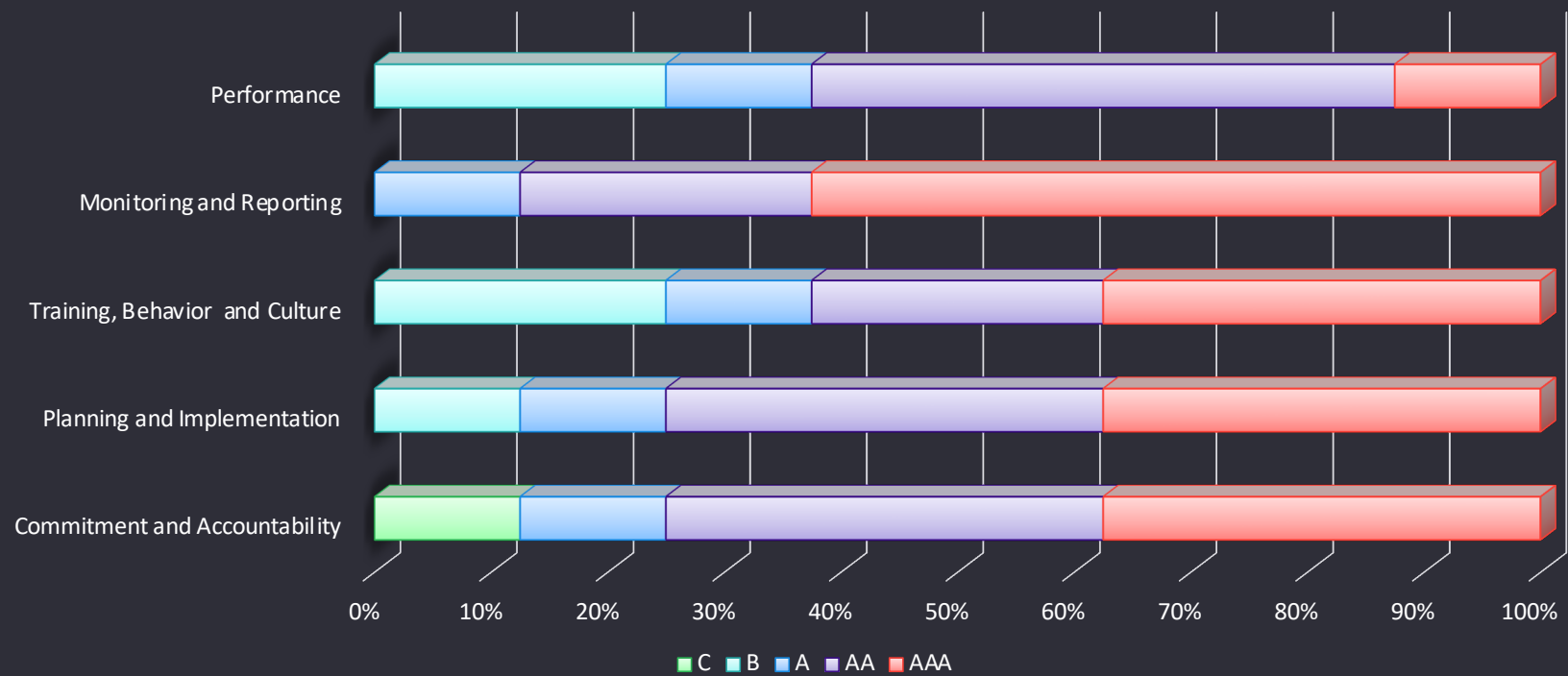
Water Stewardship



Protocol Results Overview

Safety and Health

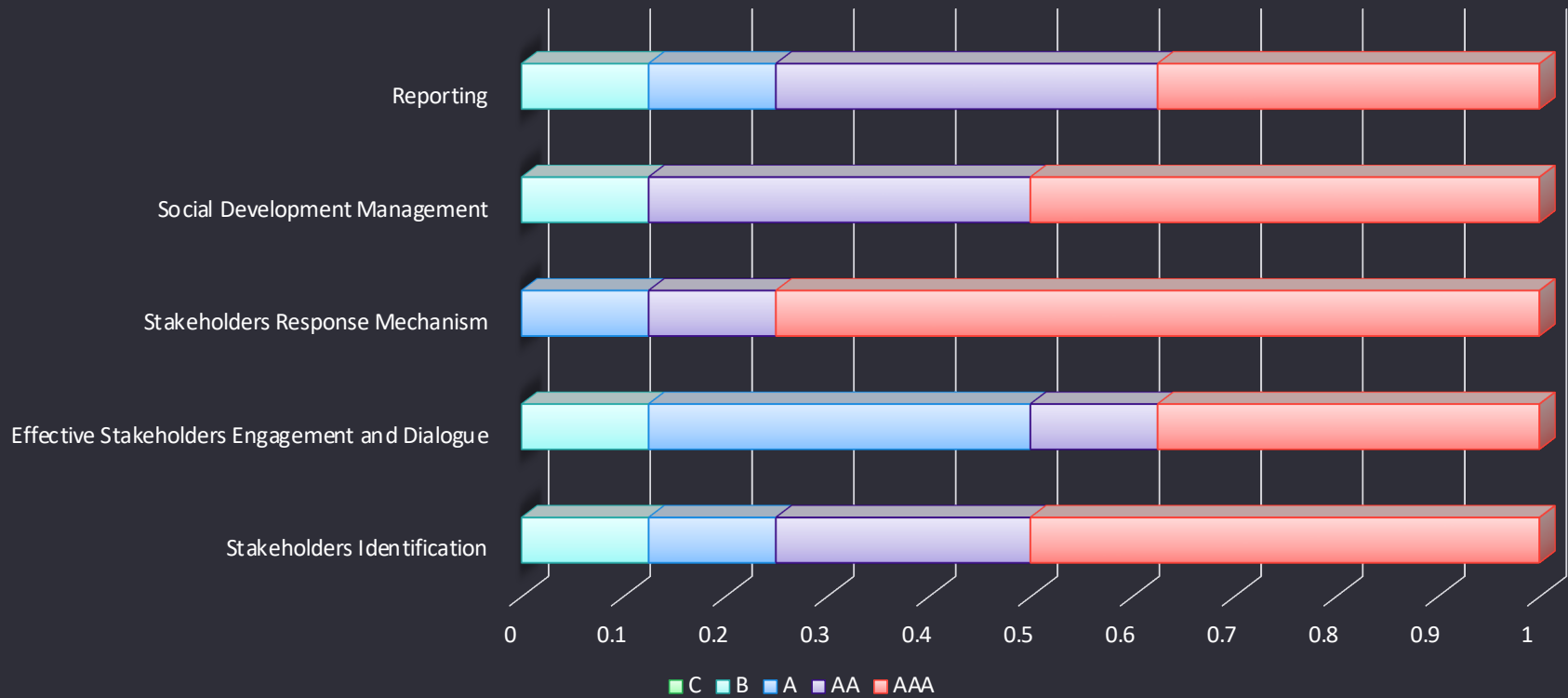
Safety and Health



Protocol Results Overview

ICC/IP Community Outreach and Social Development Management

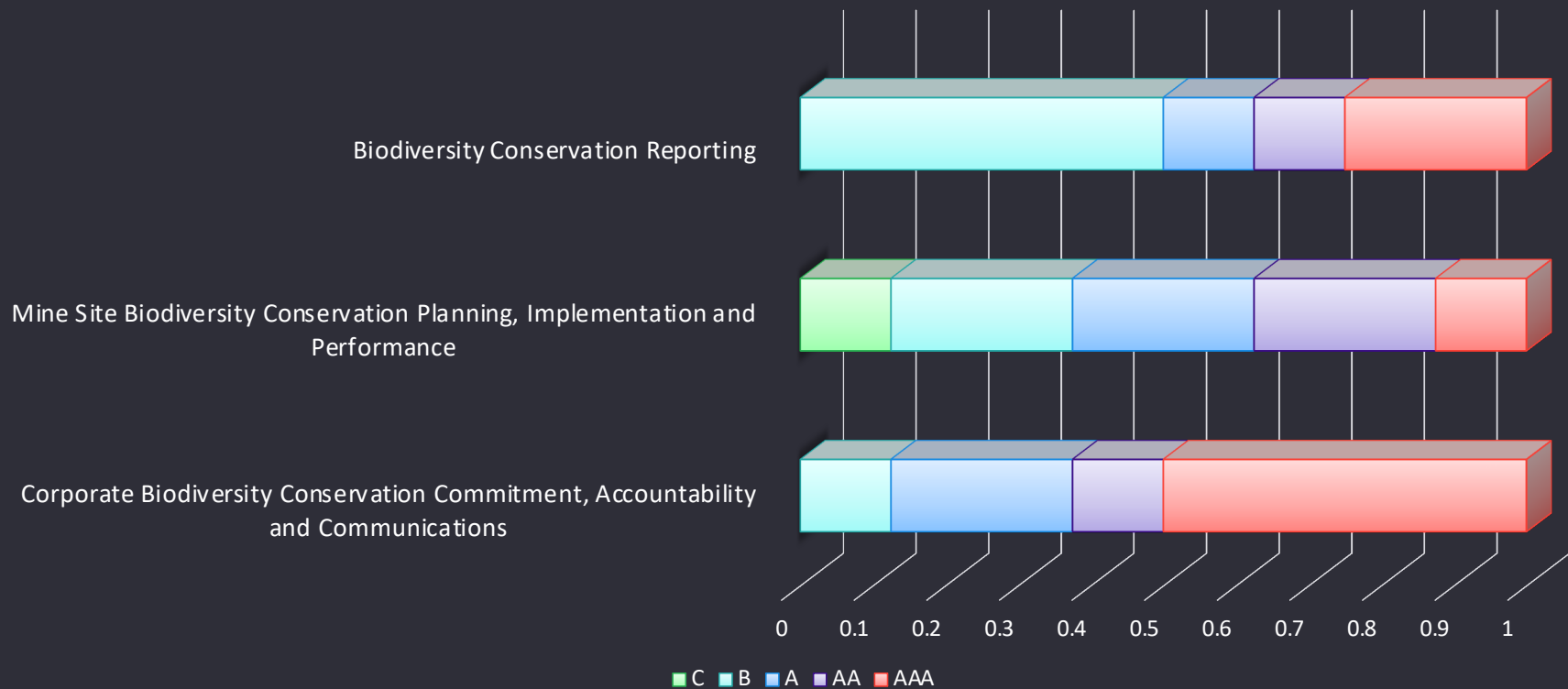
ICC/IP Community Outreach and Social Development Management



Protocol Results Overview

Biodiversity Conservation Management

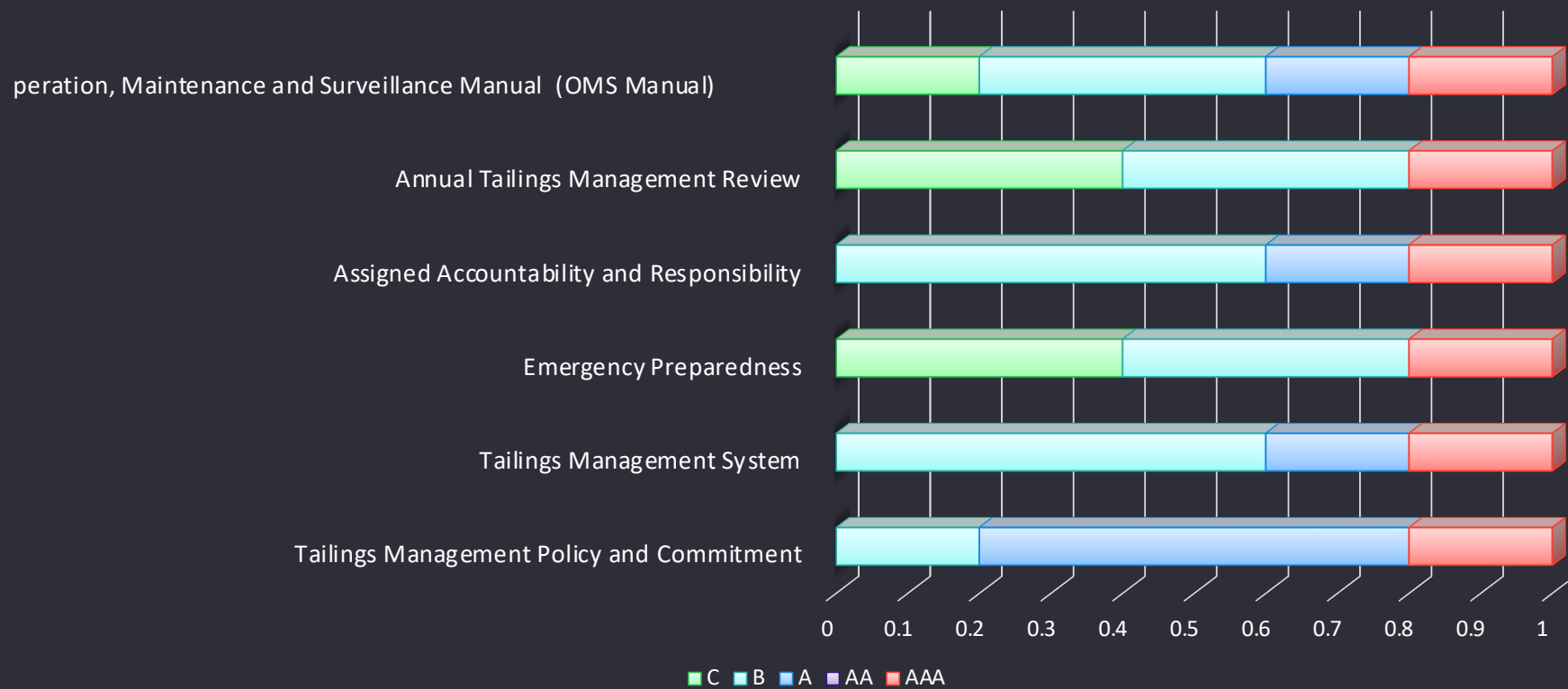
Biodiversity Conservation Management



Protocol Results Overview

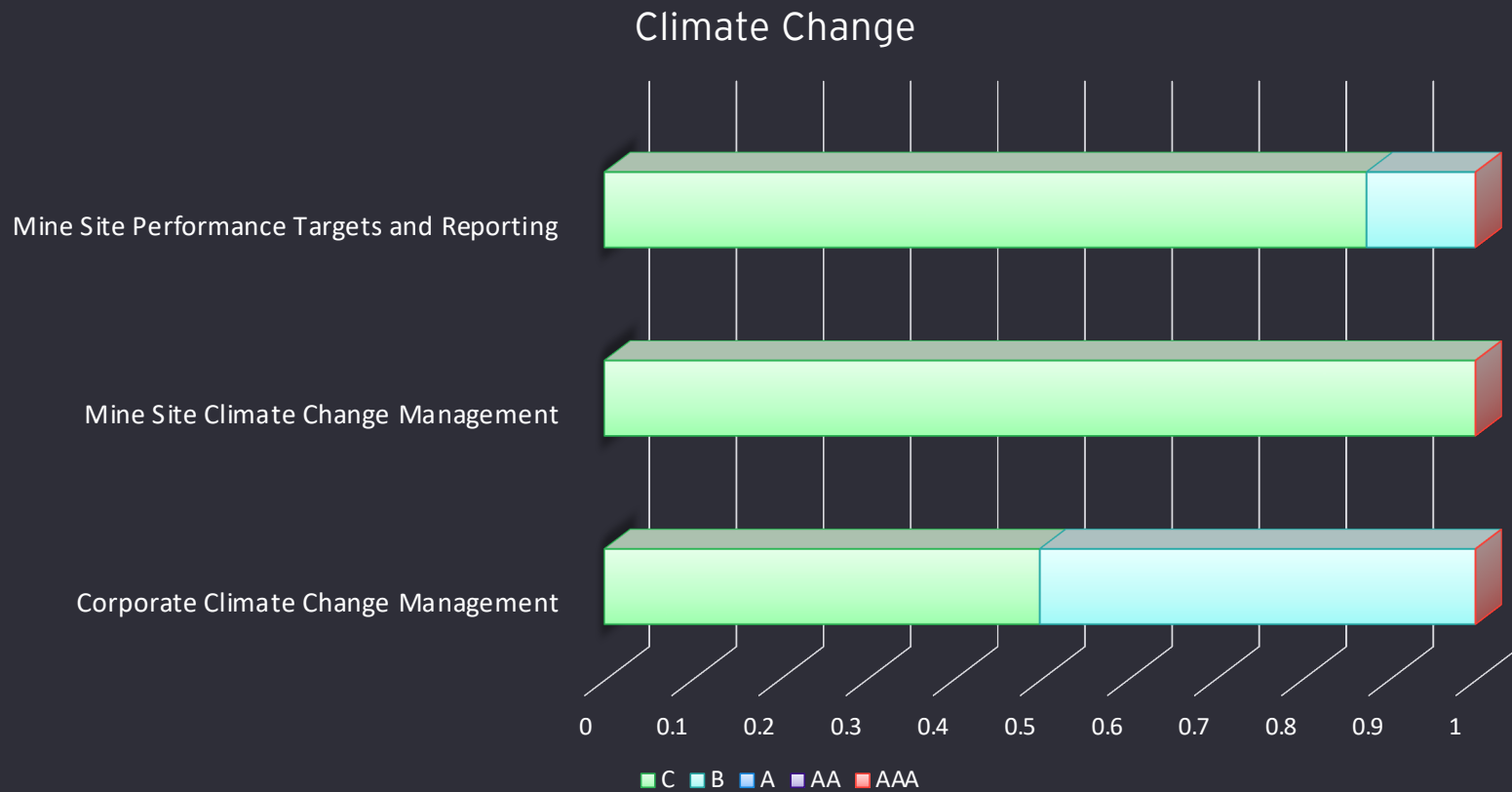
Tailings Management

Tailings Management



Protocol Results Overview

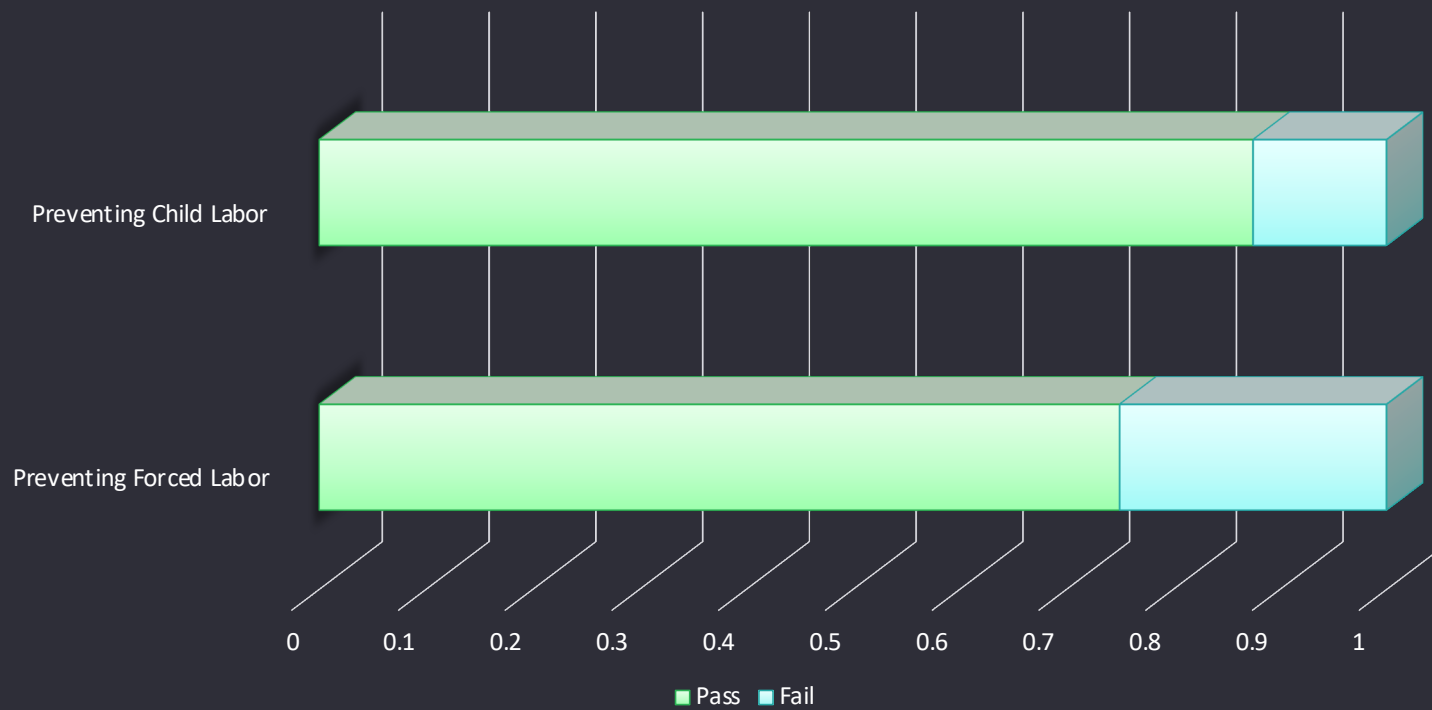
Climate Change



Protocol Results Overview

Preventing Child and Forced Labor

Preventing Child and Forced Labor



Protocol Results Overview

Crisis Management and Communications Planning

Crisis Management and Communications Planning



Overall Performance Analysis



Generally, self-assessment scores were higher than the scores provided by the external verifiers among all protocols, except for Crisis Management and Communications Planning Protocol.



Performance was weakest on Water Stewardship and Climate Change Protocols.



Stronger performance was exhibited on ICC/IP Community Outreach and Social Development Management and Safety and Health Protocols.



Lack of documentation and policies being silent on an issue mean low ratings, even if done in practice.



Regulations (strong and consistent oversight, stringent regulations) play a significant role into performance of companies.



Public reporting and external audits are crucial to achieve the highest scores.



Activities and impacts that extend to value chain or beyond operational footprint give higher ratings.

Overall Performance Analysis

Notable Performance per Protocol



WATER
STEWARDSHIP

TVIRD -
BALABAG
GOLD SILVER



SAFETY AND
HEALTH

TAGANITO
MINING
CORPORATION



ICC/IP COMMUNITY
OUTREACH AND
SOCIAL
DEVELOPMENT
MANAGEMENT

TAGANITO
MINING
CORPORATION



BIODIVERSITY
CONSERVATION
MANAGEMENT

FILMINERA
RESOURCE
GROUP -
MASBATE
GOLD



TAILINGS
MANAGEMENT

PHILEX MINING
- PADCAL
GOLD

ESG Policy Implications



Enhance transparency and accountability - consider mandating regular public reporting and external audits to ensure transparency, accuracy and credibility, and to encourage companies to adopt a more rigorous self-assessment practice



Strengthen water stewardship, climate change and tailings management regulations - regulations/government oversight towards watershed planning and management should consider addressing the inconsistencies; regulations/expectations of government should be clear on how climate change should be addressed by companies (i.e., part of tailings management, closure plans, etc.); revisit policy related to non-adoption of Global Industry Standard on Tailings Management or consider incentivizing adoption



Improve documentation and policy clarity - companies should consider having clear, detailed, and accessible documentation of its ESG policies, practices, and performance data



Extend focus beyond operational footprint - consider policies that assess and address wider and indirect impacts for a more holistic approach to ESG management

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We must recognize that **expectations have changed, and so must we**. Sustainability frameworks like TSM and ICMM are critical in helping mining companies meet these expectations, ensuring we remain trusted and responsible stewards of the land and resources.

Tom Palmer

President and CEO of Newmont Corporation and newly appointed Chair of ICMM Council

#SGVforABetterPhilippines



Thank you

