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Mining in Finland

- 12 metallic ore, 27 industrial mineral and 7 other mines
- Ca. 20 exploration companies
- Ca. 4,500 direct jobs
- Turnover €1.5 billion, investments €200 million and €52.8 million in exploration
- Mainly in Northern and Eastern Finland
- 1/112 for investment attractiveness in Fraser Institute's survey

Why Finland?

- long tradition
- geological data and ore potential
- existing infrastructure
- high educational level
- political and societal 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
- high energy taxation
- long throughput time for permits
- discussion around uranium
- perception of foreign owned companies



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Things had to change

- Mining boom early 2000's
- New mining law 2011
- Tailings accident at Talvivaara mine in October 2012 → uncontrolled emissions and environmental impacts
- Multi-stakeholder roundtable process (10/2012 – 4/2013) by the Ministry of Employment and the Economy and the Ministry of the Environment

→ Action plan: Making Finland a leader in the sustainable extractive industry

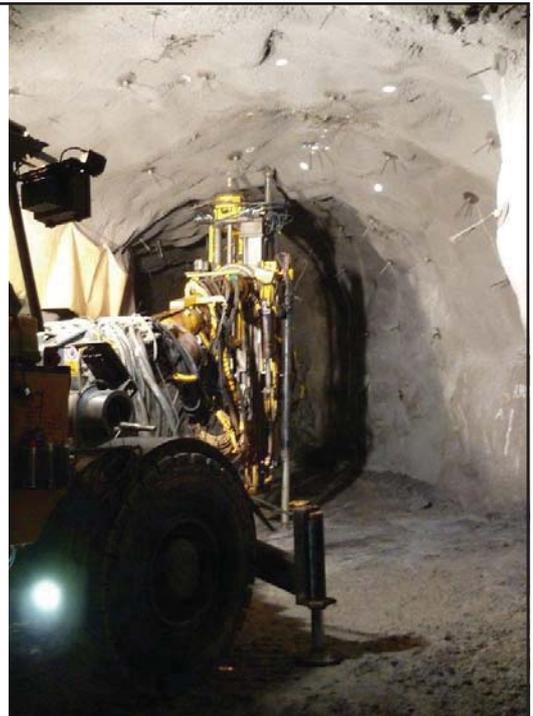
Action 6: "Active, diverse and interactive dialogue shall be conducted with various stakeholder groups"

Action 5: "CSR programmes shall be adopted by companies and applicable indicators, reporting and monitoring will be developed"



FINNISH NETWORK FOR SUSTAINABLE MINING

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Network for Sustainable Mining

What

The Finnish mining industry and its stakeholders created a *Network for Sustainable Mining* with the support of the Finnish Innovation Fund (Sitra). The network, built on cooperation and trust, promotes responsible practices for mines operating in Finland based on international best practices. Sustainable mining takes into account other economic activities and the environment.

How

- Open and balanced dialogue
- Active and constructive cooperation
- Tools: indicators, management and evaluation systems
- Financing model for continuous operation of the network

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Targeted achievements

More sustainable mining

improvements in environmental impacts, occupational safety, and citizens' involvement.

Self-regulation model

which can be copied and that are based on active cooperation of the industry and its stakeholders.

Practical tools

developed or promoted by the network are used in the mining industry.

Reduced risk of conflicts

between the industry and the society and help secure a social licence to operate.





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Background

- 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), Vice-Chair: Tommi Siivonen (MTK), Secretary General: Eero Yrjö-Koskinen, Host organisation: the Finnish Mining Association.
- The focus of activities is in **self-regulation**.
- **Produced in cooperation with the stakeholders:** statement of intent; common rules and regulations; work programme; toolbox for local actions; CSR report covering the activities of 19 mining and ore prospecting companies in Finland; new sustainability standard for mining operations based on Canadian TSM initiative.
- **Under preparation:** new sustainability standard for ore prospecting.



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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:

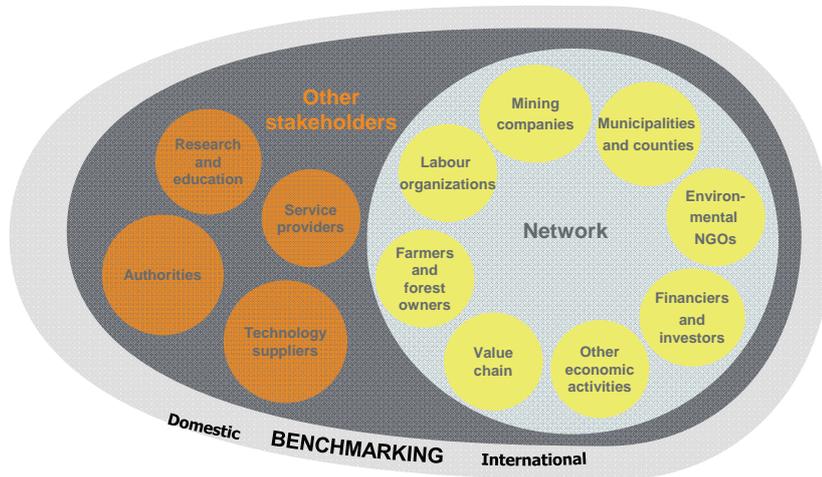
- compliance with the law
- promoting mining practices that are responsible and ecologically, socially and economically sustainable throughout the life cycle of a mine
- transparent information on mining activities
- engagement in genuine dialogue with stakeholders, for example to settle any conflicts 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 the Sámi people.



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Finnish Network for Sustainable Mining

A multi-stakeholder network, **built on co-operation, dialogue and trust**, promotes responsible practices for mines in Finland based on international approaches.

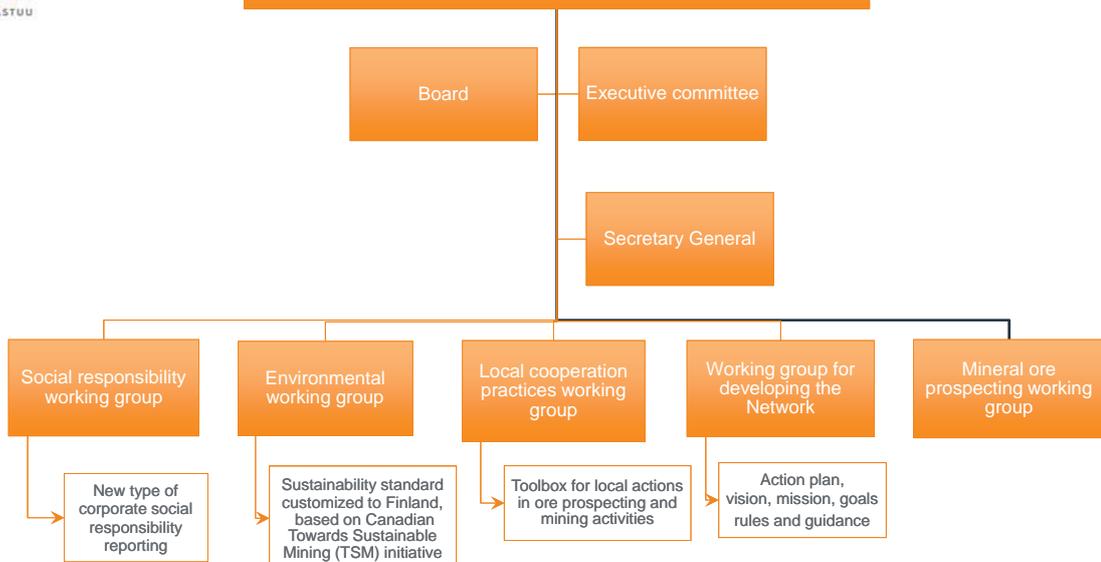


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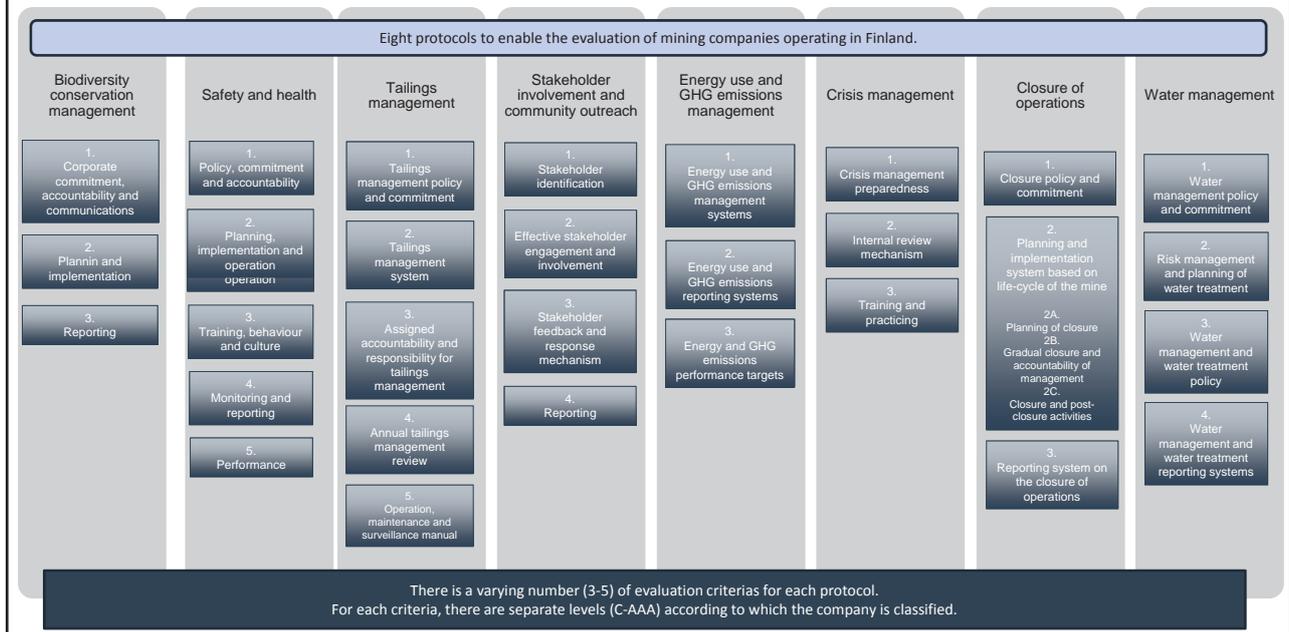
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Finnish Network for Sustainable Mining



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Finnish standard for sustainable mining (based on TSM)



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Author

Finnish TSM standard

- Eight protocols with clear evaluation criteria and individual levels following the logic of credit rating (C-AAA)
- All mining companies that join the standard follow national legislation, which represents level C
- The aim is that each company would eventually achieve level A to ensure the sustainability of operations
- Companies report annually their results in each evaluation criteria
- External, independent auditing every three years to ensure the validity of corporate reporting
- The standard will be introduced at corporate level in January 2016, and it should be revised during the first year of implementation
- Smaller companies can start by choosing protocols that best fit their capacities
- A new protocol on ore exploration is under preparation



Challenges

- Independence, credibility, continuity
- Implementation of sustainability standard: training, reporting and auditing
- Fundraising and long-term funding
- Expanding membership to new organisations
- New energy and ideas (added-value to members)
- Maintaining the momentum
- Expanding similar practices to other EU countries

IT'S NOT EASY BUT IT'S WORTH IT!

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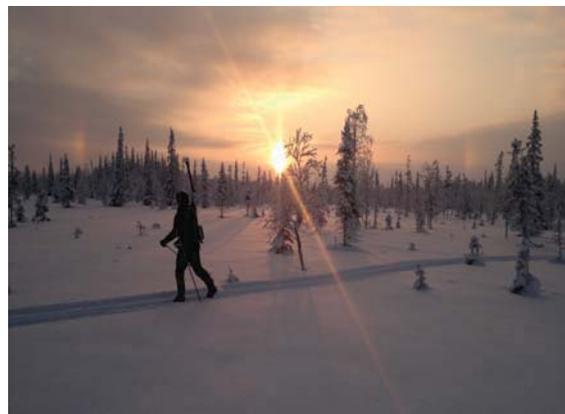


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Role of OSCE in promoting sustainable mining practices

- Mining has direct impacts on local communities and the environment => involvement of other stakeholders in planning is crucial to achieve a social licence to operate
- Currently, there is no standard approach for such activities in Europe => the Finnish experience could be used as a model to reduce social and environmental conflicts and improve trust in mining activities
- Joint recommendations needed to motivate national governments in this direction



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