



Reflections on engagement with Indigenous Peoples and First Nations

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KINROSS

Case Study: Rio Tinto chief Jean-Sébastien Jacques quits over Aboriginal cave destruction

Rio Tinto blames 'misunderstanding' for destruction of 46,000-year-old Aboriginal site

Iron ore chief says company has 'taken accountability' for destroying site in blast to expand Brockman 4 mine

Leaked tape reveals Rio Tinto does not regret destroying 46,000-year-old Aboriginal rock shelter to expand mine

Iron ore boss reportedly told a staff meeting that the company was apologising for the distress caused, not the destruction

Rio Tinto chief forced to quit over Aboriginal ancient site's destruction

Blasted away: the important indigenous rock shelters at Juukan Gorge, Western Australia, fell victim to Rio's quest for iron ore under chief exec Jean-Sébastien Jacques, right

"It's a tragedy that sits up there with all sorts of sites; the Palmyras, Mosuls and Bamiyan Buddhas of this world,"

Peter Stone, the UNESCO chair in Cultural Property Protection and Peace at Newcastle University



What was it?

- Over 40,000 years old, **“one of the most archeologically significant sites in Australia”**
- **DNA testing had directly linked it to the Puutu Kunti Kurrama and Pinikura (PKKP) people** - the traditional owners of the land.
- The site showed signs of human occupation dating back 46,000 years, including throughout the last ice age. **It’s the only known site in inland Western Australia to show that continued occupation.**
- **...and qualified for protection under Australian law**



How did it happen?

- RT knew about the caves and their significance
 - Archeological and ethnographic **surveys in 2003 (and again in 2008) identified the sites** as being of high value that qualified for protection under law
 - The company's heritage team worked with technical team to ensure the **mine plan included buffers** around the Juukan site in 2011
 - RT developed three mine plans that would avoid disturbance, and one mine plan that didn't
- RT had permits to disturb the site
 - RT obtained a permit to disturb the sites in 2013
 - Consultation with PKKP seemed to focus on the need to fully inventory and document the site prior to its destruction – and not on whether to pursue other mine plans that did not disturb the site
 - Salvage archeology / documentations was completed in 2018 with a final report in early 2020
 - Up until May 2020, PKKP seemed resigned to the fact that destruction of the sites was inevitable – as they requested one last visit to the site “while it's still possible”



The company had a chance to change plans

- May 14: The PKKP ask to visit the site in July, “while we still can”...RT responds that the holes have been loaded but agrees to delay the blast to the 20th
- **May 18: PKKP requests the work be suspended**
 - RT escalates the issue to **Iron Ore SLT** and engages legal counsel in anticipation of legal action to prevent the blast
- May 21: blast expert says it is unsafe to unload the holes, and that the blast should go before the 24th due to risk of explosive slumping
 - RT CEO notified of the issue
- **May 22: RT and the PKKP agreed to go ahead due to safety concerns**
- May 24: RT CEO informed of the significance of Juukan on the same day as the blast

Hindsight is 20/20

There has been a lot of commentary from a wide range of perspectives

Information provided by Rio Tinto was “sometimes ... at a level that a lot of **our people cannot understand**”. (*Burchell Hayes, a traditional owner and director of the PKKP Aboriginal Corporation*)

Professor Glynn Cochrane spent 20 years implementing Rio Tinto’s social performance programme. He told media that the **communities and social performance function inside Rio Tinto is now an “orphan”**.

The **1972 Aboriginal Heritage Act** is “a tragically useless, outdated and misinformed piece of governmental legislation”

(*University of London archaeologist and anthropologist, Dr. Lawrence Owens*)

“And [Rio Tinto] is misguided because when it cut bonuses recently **it effectively put a price on something which is basically priceless** and I think that that was tin-eared really.”

(*Tom Stevenson, investment director at Fidelity International*)

“...while Rio Tinto’s actions were context-specific, **unjustifiable** and ultimately self-destructive, what drove them was a set of **common failures of internal systems around social issues** that also pose challenges within many other firms. CEOs (both of resource firms and other sectors) should urgently seek to learn the lessons.” (*Daniel Litvin, Critical Resources*)

Could it Happen Again?

- RT worked over the years to secure all necessary approvals to disturb the sites
 - RT consulted with indigenous groups, but in hindsight the PKKP said they didn't always understand what was being presented
 - Even at the end, RT internal processes seemed geared to address issues – and not consider whether they should pursue a mine plan that would destroy 46,000 year old site
- Comments such as the examples below should provoke thorough questioning about what is really happening
 - “Let’s not negotiate with ourselves”*
 - “Our team is working on getting the permits”*
 - “The team will tell us if there is a problem”*
 - “We’ve got a great relationship, just a couple of problem stakeholders”*
 - “It’s what we do – work the problem and eliminate the obstacles”*

Kinross approach to First Nations and Indigenous communities

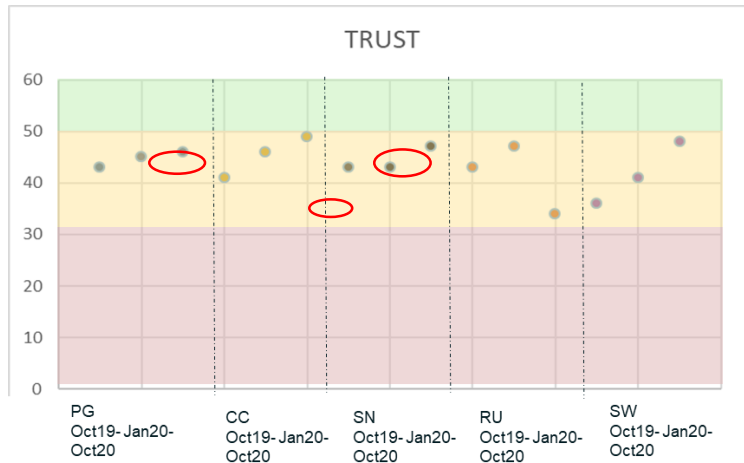
Respect and consideration for the unique rights and needs of First Nations and indigenous communities is central to our core values and operational approach

- Approach based on **respected international standards** including UN Guiding Principles on business and human rights
- Our **Safety & Sustainability policy** articulates our commitments
- **Governance** from the Board level through the Corporate Responsibility and Technical Committee
- **Accountability** from the Senior Leadership team, corporate functional leads, region and site management
- Effective **Management Systems**, and other corporate standards. Site CR teams report to site management to ensure connection with operations.
- We measure and report on our engagement with indigenous communities in our **Sustainability report**
- We believe that this approach leads to strong positive benefits for our local communities
 - Kupol Foundation – strong focus on cultural heritage, award-winning projects on traditional way of life
 - Coipa – voluntary, prior consultation process with Colla communities recognized as best practice

We are doing an EIA for a new mining project – the Colla are key stakeholders for this project

Focus on Relationship: Trust

- Strategic approach to building relationships, based on our Values and Sustainability principles



Communities	Pai Ote		
	oct-19	Jan-20	oct-20
KPI			
Respect	1	2	3
Communication	0	3	3
Balance of Power	1	1	2
Affection	1	3	3
Goal Compatibility	0	1	2
Focus	1	3	4
Frequency	0	3	5
Stability	1	2	1
Conflict Resolution	1	2	1
Mutual Understanding	0	2	3
Productivity	0	3	3
TRUST	6	25	30

Focus on Diagnosis related to EIS context

- Building an Environmental Impact Study through early, voluntary, informed community participation. This reduces risk in the permit process, especially in the indigenous consultation process.

Issues to be aware of:	Consequences
Lack of primary information and/or methodological-technical gaps	Delay in assessment process
Weaknesses in the indigenous consultation process (ICP)	Strong opposition from Indigenous Communities and negative media
Lack of meaningful participation of indigenous groups	Approved and then revoked environmental Permits (RCA)

Participative process for baseline studies for Environmental permitting

- 5 Dimensions of analysis: Geographic, Demographic, Cultural, Socioeconomic, Basic social welfare
- **Particular needs for Indigenous communities:**
 - Values system and group identity; organizational structure; symbols
 - Use and value of natural resources (medicinal use, food preparation, among others)
 - Cultural practices, rituals, traditions and heritage
 - Organizational structure
- Baseline data usually collected by the consultants. We have incorporated the Indigenous Communities in the gathering of biotic and other baseline information:
 - They know the territory and its accesses
 - Environmentally and culturally sensitive sectors
- Transparency and training in what an Environmental Impact Study means
- Open discussions about concerns and fears – separate impacts from problems
- Design mitigation measures and programs together
- Overall goal is that, through a relationship-based approach, trust is built in the process, in the project, and in the future



Investors are taking notice of social risk – the “S” in ESG

- Major events such as Juukan Gorge, or the Brumadinho tailings disaster focus world attention on the mining sector
- This results in coordinated action by investors to provoke improved disclosure about the connection between company governance and getting things right on the ground
- The prime focus must always be on doing things right at operations, through building good relationships with all stakeholders



Review of the company's agreements, policies and processes which underpin relationships with First Nations communities and Indigenous peoples.

Dear [Company]

We write as 64 investors and their representatives in the mining sector, who together represent over USD \$10.2 trillion in assets under management.

The recent tragic and irreversible destruction of First Nations sites of cultural and archaeological significance in the Juukan Gorge, in Australia, highlights the consequences for communities, companies and investors when relations with communities are not adequately managed. This in turn calls into question the social license of a company to operate.

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We believe that investment risk exists where there is a mismatch between a company's stated approach to relationships with First Nations and Indigenous communities and what happens in practice.

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