

TSM ASSESSMENT PROTOCOL

A Tool for Assessing Crisis Management Planning Performance

Introduction

Launched in 2004, Towards Sustainable Mining (TSM) is an initiative of the Mining Association of Canada designed to enhance the industry's reputation by improving its performance. MAC Members subscribe to TSM guiding principles, a set of commitments that address all areas of our industry's performance.

These guiding principles are backed by specific which member companies began reporting against in 2004. These indicators are designed to identify the industry's current performance in key performance areas, and point to actions that could be taken to improve it. Areas for which performance indicators have been developed include tailings management, energy use and greenhouse gas emissions management, external outreach and crisis management planning.

This document provides a tool to assist companies in the assessment of the standard of crisis management currently being implemented by the corporate office and their Canadian operating facilities, in accordance with the TSM crisis management planning performance indicators. It enables key performance indicators to be segregated and performance improvements for each indicator tracked year to year. The use of this protocol also enhances the consistency of assessments conducted across companies. In addition, this tool has been designed to enable external verification of company performance, consistent with the TSM verification system and the initiative's commitment to transparency and accountability.

Assessing Crisis Management Planning Implementation

The MAC Public Affairs Committee developed performance indicators for Crisis Management Planning to:

- Allow companies to conform to best practices; and
- Enable an assessment of business performance.

To ensure adherence to best practices, the MAC Guidelines for Corporate Crisis Management Planning will be reviewed every two years by a committee of crisis management professionals and will be updated to reflect industry best practices, as warranted.

The purpose of the assessment protocol is to provide a framework for evaluating company performance against TSM indicators. The assessment protocol sets out the general expectations of MAC for crisis management planning by its member companies in support of the TSM initiative. Assessment should also:

- Assist member companies to develop capacity to monitor and improve performance; and
- Provide a basis for company assurance.

As with any assessment of a management system, professional judgment is required in assessing the degree of implementation of a system indicator and the quality of management processes and intervention. Application of this protocol will therefore require a level of expertise in auditing and systems assessment and some knowledge of and experience in the technical aspects of crisis management. This assessment protocol provides an indicator of the level of implementation of crisis management planning systems in support of the TSM initiative and is not, of itself, a guarantee of the effectiveness of the resolution of a crisis.

Performance Indicators

Three performance indicators have been established:

1. Crisis management preparedness

Member companies must have in place a crisis management plan, which is consistent with the MAC Guidelines for Corporate Crisis Management Planning, October 2004.

2. Review

Member companies will regularly review and update their crisis management plan to ensure it remains responsive to the needs of the company and its operations, properly reflects risks associated with the company's operations and reflects best practices within the industry.

3. Training

Crisis management training, including the use of appropriate crisis simulation exercises, will be conducted annually.

The assessor is required to determine whether the criteria of each indicator are met by their company and Canadian operating facilities, providing a *Yes/No* answer on the *Crisis Management Planning Contact and Reporting Form*. Where a performance element or indicator is not relevant, then an assessment of N/A should be assigned.

Corporate and Facility-Level Assessments

For crisis management planning, companies are asked to provide an assessment for each indicator for their corporate office, as well as for each of their Canadian operating facilities. An effective overall corporate crisis plan, as outlined in MAC's *Guidelines for Corporate Crisis Management Planning*, requires the establishment of local or site-specific crisis teams to support the overall corporate management of crises. The protocols have been designed so that companies can assess the status of crisis management planning at both corporate and facility levels. This approach enables companies to identify strengths and weaknesses within their organizations.

Structure of the Assessment Protocols

For each indicator, the protocol provides:

- a statement of purpose that expresses the spirit and intent of the indicator
- assessment criteria for each indicator
- supporting guidelines to help the assessor to understand the general scope of each indicator and to act as a framework for reviewing documentation and conducting interviews necessary for the assessment of the company's performance

The application of the protocol involves:

- providing an assessment of whether or not a company has in place requirements for crisis management; and
- providing a rationale for the assessment.

1. Crisis Management Preparedness

Requirement

Member companies must have in place a crisis management plan, which is consistent with the MAC Guidelines for Corporate Crisis Management Planning, October 2004.

Crisis Management Preparedness

Through interview and review of documentation, determine that:

1. For the Corporate Office:

- The President and CEO endorsed and demonstrated support for crisis management planning.
- Credible threats and risks have been identified for the company and protocols established to address them.
- The results of these evaluations have been shared between corporate and operations levels.
- A Corporate Crisis Management Team has been established, with defined roles and responsibilities.
- A media spokesperson has been assigned and trained.
- The Crisis Management Plan is a “page-dated”, controlled document.
- All key personnel have been provided with copies of the plan and a portable key contact list.
- A crisis room has been established and equipped.
- Key media contact and telephone log sheets have been prepared.
- Crisis communications programs have been established to effectively alert employees to a crisis and its developments.
- Contact information for key stakeholders has been prepared and prioritized.

Crisis Management Preparedness

2. For the Facility:

- Credible threats and risks have been identified and protocols established to address them.
- The results of these evaluations have been shared with the corporate office.
- A Local Crisis Management Team has been established, with defined roles and responsibilities.
- A media spokesperson has been assigned and trained.
- The Local Crisis Management Plan is a “page-dated”, controlled document.
- All key personnel have been provided with copies of the plan and a portable key contact list.
- A crisis room has been established and equipped.
- Key media contact and telephone log sheets have been prepared.
- Crisis communications programs have been established to effectively alert employees to a crisis and its developments.
- Contact information for key local stakeholders has been prepared and prioritized.
- The facility meets annually with senior members of the local emergency response authorities (where they exist).

2. Review

Requirement

Member companies will review and update their crisis management plan to ensure it remains responsive to the needs of the company and its operations, properly reflects risks associated with the company's operations and reflects best practice within the industry.

Review

Through interview and review of documentation, determine that:

1. For the Corporate Office

- The Corporate Crisis Management Plan is regularly reviewed and updated:
 - when there is a change of personnel of those associated with implementation of the crisis management plan;
 - when there is a change in business (e.g. a new mine); and/or
 - every 18-24 months.
- The plan's notification system is tested at least twice per year.
- Processes exist to ensure that new crisis team members are familiarized with the plan within two months of joining the team.

2. For the Facility

- Local crisis management plans are regularly reviewed and updated:
 - reviewed and updated when there is a change of personnel of those associated with implementation of the crisis management plan and/or
 - every 18-24 months

The plan's notification system is tested at least twice per year.

- The facility's plan is shared with the corporate office.
- Processes exist to ensure that new crisis team members are familiarized with the plan within two months of joining the team.

3. Training

Requirement

Crisis management training, including the use of appropriate crisis simulation exercises, will be conducted annually.

Training

Through interview and review of documentation, determine that:

a) For the Corporate Office

- "Table top" crisis simulation exercises are conducted annually.

b) For the Facility

- "Table top" crisis simulation exercises are conducted annually.
- A full crisis simulation is conducted every three years.

Frequently Asked Questions

1. What is a Crisis?

A “crisis” is defined as a sudden event that may significantly affect the company’s ability to carry out its business.

It is important to distinguish between an emergency that can and should be handled by local management in accordance with its Emergency Response plans, and a crisis that requires corporate, senior management involvement and action.

A crisis may exist or be developing if:

- The emergency poses a significant threat to the public or employees
- The emergency situation provokes government scrutiny
- You no longer have full control of the situation - other agencies are taking charge
- The situation has caused national or international media interest
- The situation is likely to escalate and there is no immediate resolution in sight

The corporation’s reputation may be damaged or there is a threat to the bottom line or share value.

Incidents that are subject to crisis management may include:

- **Industrial emergencies** such as accidents resulting in critical injury or property damage, fire, building collapse, mine cave-ins, flooding, explosions, power failure, freeze-up, loss of water.
- **Natural disasters** such as flood, mud slide, tsunami, tornado, hurricane, earth quake, fire or volcano which may jeopardize personal safety or commercial operations and severely disrupt routine commercial transportation and communications links with the affected locations.
- **Medical emergencies** in jurisdictions where quality medical care is either remote or entirely lacking.
- **Accidental releases of materials** such as tailings dam failure or major chemical spill which could significantly impact the environment or health and safety of affected persons.
- **Missing person incidents** related to criminal or non-criminal circumstances.
- **Political and security risks** such as kidnaps, extortion’s, bomb threats, bombings, political or civil unrest, illegal detention by local authorities, and insurgent or guerrilla activity.

- **Any other unexpected event** which might threaten the safety of Company or contractor employees or the local community or damage the reputation of the company as a responsible corporate citizen.

2. What does “formal” mean?

The term ‘formal’ is used frequently in the assessment, and usually in conjunction with ‘system’ or ‘process’. Formalized processes or activities are usually given status through clear and precise requirements, usually documented as a written procedure. This means that the business can clearly and easily demonstrate that the process or system is in place. It would also typically require documented processes or an ‘audit trail’.

3. What is a System?

A system, or “management system” represents processes that collectively provide a systematic framework for ensuring that tasks are performed correctly, consistently and effectively to achieve a specified outcome and to drive continual improvement in performance. A systems approach to management requires; an assessment of what needs to be done, planning to achieve the objective, implementation of the plan and review of performance in meeting the set objective. A management system also considers necessary personnel, resources and documentation requirements. Other definitions associated with systems are:

- **Policy:** The formal expression of management’s commitment to a particular issue area that presents the stance of the Company to interested external parties.
- **Practice:** Informal, undocumented approaches to carrying out a task.
- **Procedure:** A formalized, documented description of how a task is to be carried out.

4. What does “effective” mean?

Where the term ‘effective’ is used, it requires the element to be fully operational in order that desired outcomes can be achieved.

5. How should the assessment be undertaken?

It is recommended that the assessment be completed using a process of document review, interview and discussion including representative site management, operations and public affairs personnel. A level of expertise in auditing and systems assessment and some knowledge of and experience in crisis management is required.

6. How do I derive a corporate rating for corporate crisis management preparedness while considering facility preparedness?

For crisis management planning, companies are asked to provide a corporate-level assessment for each indicator, as well as a rating for each of their Canadian operating facilities. An effective overall corporate crisis plan, as outlined in MAC's *Guidelines for Corporate Crisis Management Planning*, requires the establishment of local or site-specific crisis teams to support the overall corporate management of crises. The protocols have been designed so that companies can assess the status of crisis management planning at both corporate and facility levels. This approach enables companies to identify strengths and weaknesses within their organizations.

7. How should split responsibilities be addressed?

Where an operation is shared between two parties, e.g. a joint venture, the two parties are encouraged to discuss amongst themselves who should complete the assessment, whether it should be undertaken jointly or divided so that the results reflect the appropriate activities of each company.

8. What is a “table-top” crisis management exercise?

A table-top or round-table exercise is a useful, cost-effective tool for honing crisis management skills and for helping the crisis management team identify any weaknesses or gaps in their crisis management planning.

Working from a schedule of events, a facilitator offers the crisis team or management group a series of situations to be analyzed and discussed before decisions are made and actions taken. Pressure is exerted through ever-increasing complexity and frequency of problems, with the facilitation team raising issues from the perspectives of outside audiences.

Different types of crisis management planning exercises, including full-blown crisis simulations, are described in Section 8 of MAC's *Guidelines for Corporate Crisis Management Planning*. Many communications and public affairs firms offer services in crisis management training.

9. How do I assess a facility with a new crisis plan that has not yet completed a full crisis simulation exercise?

A facility with a new plan has three years in which to plan and carry out a full crisis simulation exercise. So long as the new plan has been tested through table top exercises, the assessor may respond “yes” to this indicator.