

**RM of Longlaketon, Earl Grey and Surrounding Areas
Community Involvement Plan
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Prepared for:
Review by the Rural Municipality of Longlaketon #219

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1. INTRODUCTION

1.1. YANCOAL CANADA

Yancoal Canada Resources Co., Ltd. (Yancoal Canada) is a Saskatoon-based potash exploration and development company with a registered capital of \$290 million USD. The company was established in 2011 and is a wholly-owned subsidiary of Yanzhou Coal Mining Co., Ltd. (Yanzhou Coal).

Yancoal Canada is lead by the following Mission, Goal, Vision and Core Values:

1.2. MISSION

Yancoal Canada's mission is to:

- + assess, plan, build, develop, and operate mineral resource holdings in a responsible, environmentally friendly, and sustainable manner.

1.3. GOAL

Yancoal's goal is to:

- + support the World's sustainable development with projects that are executed in accordance with local standards and expectations.

1.4. VISION

Yancoal Canada aspires to successfully construct and operate the Southey Project by:

- + establishing a harmonious relationship with the surrounding communities;
- + integrating into the local community and playing a role in a social resurgence; and,
- + creating opportunities for local employment and businesses that will contribute to a sustainable and positive economy, and meeting or exceeding all regulatory requirements.

1.5. CORE VALUES

Yancoal Canada subscribes to the following core values:

- + **Integrity** - Management, employees, and contractors of Yancoal Canada reliably conduct business and establish transparent relationships with honesty and credibility.

- + **Respectful** - It is fundamental that Yancoal Canada representatives act respectfully, both proactively and reactively. We openly consider alternative points of view, recognize the contributions of others, and inclusively communicate with all stakeholders.
- + **Mindful** - To ensure success, Yancoal Canada representatives are attentive, aware, and careful in all areas of their responsibilities, including day to day activities. We are mindful to protect each other, the environment, the interests of others, and the company.
- + **Solution Orientated** - Yancoal Canada representatives strive to deal with tasks in a sensible and realistic manner, in order to avoid being ineffectual or inefficient, as well as to avoid causing undue stress on working relationships. The pragmatic approach to finding solutions result in a sensible path forward that suits the existing circumstances but provides for changing conditions.

1.6. YANCOAL SOUTHEY PROJECT

The Southey Project is a proposed Greenfield solution potash mine located approximately 60 km north of Regina in the Rural Municipalities of Longlaketon and Cupar. The project will be located within subsurface mineral permit areas KP377 and KP392. Potash from the Patient Lake, Belle Plaine, and Esterhazy members of the Saskatchewan Prairie Evaporite Formation will be extracted. The projected production capacity for the Southey Project is 2.8 million tonnes per year, and the lifespan of the project is estimated to be 65 to 100 years.

The Southey Project is currently an advanced stage Feasibility-Level Project and the currently approved site work plan involves:

- + Site due diligence work
- + Completion of well site reclamation

1.7. RISK EVALUATION

Social license and stakeholder safety (both external and internal) are key parts in Yancoal's corporate planning framework.

Risk considerations include, but are not limited to, the natural environment, health and safety, and the culture and livelihood of the local communities. From the beginning stages of this project, local emergency response and both town and RM councils will be consulted about risk evaluation and will continue to be involved at all stages.

As the project continues to advance, Yancoal will develop all-encompassing health and safety policies and procedures specific to each stage.

2. PREFACE

A social licence to operate (SLO) refers to the level of acceptance or approval by local communities and stakeholders of organizations and their operations. The concept has evolved fairly recently from the broader and more established notions of “corporate social responsibility” and “social acceptability.” It is based on the idea that institutions and companies need not only regulatory permission but also “social permission” to conduct their business.

Increasingly, having social license to operate is an essential part of operating within democratic jurisdictions, as without sufficient popular support it is unlikely that agencies from elected governments will willingly grant operational permits or licences. Social license does not refer to a formal agreement or document but to the real or current credibility, reliability, and acceptance of organizations and projects.

With this as a reference point, Yancoal Canada is committed to developing the Southey Project in a manner respectful to the local community, the local municipal government, and the entire province. With a dedicated focus on shared benefits, Yancoal is in developing a community involvement plan that looks to manage and/or mitigate any potential challenges together. Yancoal is committed to following industry best practices¹ and ensure suitable and relevant community involvement for the current stage throughout the entire life-cycle of the project.

2.1. COMMUNITY ENGAGEMENT

Community engagement is a process by which citizens are engaged to work and learn together on behalf of their communities to create and realize bold visions for the future. Community engagement can involve informing citizens about an initiative, inviting their input, collaborating with them to generate solutions, and partnering with the community from the beginning to tackle community issues. Done properly, community engagement increases community cohesion and allows the community to have ownership over the outcomes that will ultimately impact them.

2.2. COMMUNITY-BASED MONITORING

Community-based monitoring (CBM), the process where concerned people from different backgrounds and sectors collaborate to monitor, track, and respond to issues of common community concern, can be an effective way to gather this much needed data. Community-based data collection, monitoring, and action planning leads to effective decision making that is based on the information collected by the people who have vested interests in the lands and waters that they depend upon. Indigenous communities are ideally suited to take part in environmental monitoring because of their rights to their lands and waters and unique Indigenous Knowledge about these areas.

¹ For example: <https://aese.psu.edu/research/centers/cecd/engagement-toolbox/engagement/what-is-community-engagement>

3. THE SOUTHEY PROJECT COMMUNITY ADVISORY COMMITTEE (SPCAC)

3.1. ESTABLISHMENT OF THE SPCAC

It is expected that once the inaugural Southey Project Community Advisory Committee (SPCAC) has been set up and established, its initial work will be to establish a “Terms of Reference.”² In the interim period, the following can serve as guidelines to assist the establishment.

Further refinement of the community monitoring program will be performed by the SPCAC later in 2019.

As such, at the time of writing, the basis for community monitoring are expected to be:

- + Concerns and key issues
- + Local employment
- + Community advisory committee
- + Community, participation, investment, and sponsorship
- + Stakeholder groups
- + Provide updates and outcomes on the meetings with the committee

3.2. PURPOSE AND ROLE OBJECTIVES

The purpose of the SPCAC is to provide two-way informational exchange between members of the local community and Yancoal. It is the role of the SPCAC to be the first line of formal communication to advise the project team of all issues as well as on-going progress within the current stage of the project and the approved work plan.

3.3. OBJECTIVES

Initially, the following are to be considered as the objectives of the SPCAC:

- + To establish an engaged representative group of the local and greater community, and stakeholders;
- + To ensure a non-biased, transparent process to gather feedback, advice and resolve issues;
- + To ensure continuity in the engagement process through the consistent and ongoing commitment of the advisory group members who are focused on the best interests of the greater community;
- + To have the longevity of the group following the feasibility period in the event that the project proceeds; and,
- + To share information outside of the group with stakeholders.

² <https://www.mycommittee.com/BestPractice/Committees/Startingacommittee/TermsOfReference/tabid/251/Default.aspx>

3.4. PRINCIPLES

The following principles shall guide the SPCAC:

- + **Community-focused:** It is assumed that the SPCAC will operate in the interest of the greater community. It is recognized that each member is a representative of a constituent group and contributes based on the interests of that group, but the primary intent is to serve the best interests of the community as a whole.
- + **Transparent:** All discussion will be transparent and open to sharing with the broader community. Contributions from all SPCAC members are valued and respected and will be communicated in a transparent and respectful manner.
- + **Optimism:** The SPCAC believes that through the committee we are all working toward the best solution for the greater community. We are hopeful for a better future for the community and the stakeholders.
- + **Consideration of all perspectives:** While the SPCAC works toward consensus, we believe that all opinions are important and should be taken into consideration. We recognize that some voices may be louder or more critical than others based on the impact of the issue pertaining to individual stakeholders.
- + **Participation:** We are committed to ensuring the success of the advisory committee in achieving that stated objectives. This requires our regular attendance and contribution.

4. SUGGESTED TERMS OF REFERENCE

4.1. SCOPE

The SPCAC will provide advice and recommendations to Yancoal to reflect the community's perspective with respect to the Southey Project in the following areas:

- + Mine-related infrastructure
- + Traffic and road safety
- + Environmental issues
- + Worker accommodation and transportation plans
- + Local/Good Neighbour and community investment strategy
- + Issue resolution plan
- + Best management practices (e.g. equipment movement, noise creating practices, lighting, etc.)
- + Public participation

4.2. DELIVERABLES

In scope

Deliverable	Completion Date
Review and update of the advisory committee after the first meeting to validate suitability.	2019-Q3
Understanding and baseline of current traffic, security, emergency measures (preparedness)	2019-Q4
Two-way communications channels with community and RM defined.	2019-Q4

Out of scope

Should it be required, the SPCAC will be empowered to establish other deliverables it deems necessary for the committee to conduct its activities. At the beginning of the next stage, new objectives and deliverables will be added.

5. COMMITTEE STRUCTURE AND LOGISTICS

5.1. BALANCED REPRESENTATION

Given the scope of the Southey Project, and the potential for it to have an impact beyond the actual operational site, it is in the interest of the SPCAC to have as diverse of a membership as possible. Based on the purpose of the SPCAC and the desired level of engagement, the following are proposed guidelines for the composition of the group:

- + Membership should be representative of all stakeholders with an interest in the project.
- + Group members should be knowledgeable about local issues and active in their community.

5.2. MEMBERSHIP

The nomination committee shall initially consist of the members from RM 219, the Yancoak Project Team, and representatives from the community. Once the SPCAC is established, a nomination committee will be responsible for reviewing and maintaining membership of the committee. Further, once the inaugural SPCAC committee has been established, it will have the power to determine if any additional representation is required.

To achieve a balance of representation, the following are proposed guidelines for the composition of the group:

Group	Membership
Local residents	40%
Extended municipalities	25%
Provincial and community services	25%
Other interests	5%
Project team	5%

Based on the above, representation from the following groups is desired:

Local Residents

- + Residents with close geographic affiliation (8 members)
 - Division 6 (2)
 - Division 4 (2)
 - Local Adjacent Residents (2)
 - RM 219 – Longlaketon (1)
 - Village of Earl Grey (1)

Extended Municipalities (6 members)

- + Rural Municipalities
 - RM 218 – Cupar
 - RM 248 – Torchwood
 - RM 279 – Mt. Hope
 - RM 220 – McKillop
- + Urban Municipalities
 - Town of Southey
 - Town of Strasbourg

Provincial and Community Services (5 members)

- + Provincial Government
 - Relevant ministries
- + Emergency Services
 - RCMP
 - Earl Grey Fire Department
- + Community Associations/Boards
 - Prairie District School Board
 - Saskatchewan Health Authority

Other Interests (1 member)

- + Business Associations
 - Last Mountain Valley Business Association

Southey Project Team (1 member)

- + Yancoal Project Manager

5.3. GUESTS, OBSERVERS, AND CONTENT EXPERTS

It is anticipated that the SPCAC may benefit from the involvement of other organizations on a meeting-by-meeting basis. Depending on the specific meeting agenda items, representatives from other organizations and content experts could be invited to attend select meetings and provide information or input on a specific relevant topic. As appropriate, interested individuals from the project team, municipalities or other organizations may be allowed to attend meetings as observers. Meetings of the SPCAC will be open to the public to observe.

5.4. TERM

For purposes of continuity, it is anticipated that the SPCAC will adopt a “staggered board” practice. A staggered board is a governance practice in which only a fraction (typically a third) of the members of the board of directors is elected each year, rather than all at once. Membership will be reviewed annually with each member serving a 1-year term. A planned annual turnover of 30% (of 9-18 members) is intended to help promote awareness and keep a balanced perspective.

5.5. MEETINGS

The group will meet on an annual basis (at a minimum) and when required for the current stage of the Southey Project. The frequency of meetings will be continually re-evaluated based on project progress and development.

5.6. CODE OF CONDUCT

To be established by the SPCAC.

5.7. SECRETARIAT AND FACILITATION

To be conducted by a third-party as chosen by the SPCAC.

5.8. TIMELINES

The planned implementation and first meeting of the SPCAC are targeted for Q2 – 2019 to provide advice with respect to upcoming activities.

The project has been stage-gated for management control. The major life-cycle stage gates are:

- + Financial investment decision
- + Plant start-up and long-term operations
- + Secondary mining expansion
- + Plant closure and reclamation

As such, delays are normal for factors beyond the Yancoal’s control. However, when a major stage gate change happens for the Southey Project, it is anticipated that changes may be necessary for the SPCAC to adapt to reflect the project life-cycle stage to ensure continued suitability.

5.9. CLARIFICATION

Any community member may wish to clarify an upcoming activity related to the Southey Project. This can be done in one of two ways:

- + In confidence
- + Request advise from the SPCAC

6. COMMUNICATIONS

6.1. REPORTING

For the purpose of reporting, it is expected that the SPCAC will follow a normal reporting protocol.

6.2. SPCAC SPOKESPERSON(S)

Official spokespersons for the committee will be:

SPCAC	Yancoal Southey Project Team
Chairperson	Project manager

6.3. COMMUNICATIONS CHANNELS

Information regarding the SPCAC will be made available to the public through the following channels:

- + SPCAC
- + Community meetings (individual and formal)
- + Community office
- + Website and corporate phone

6.4. INTERDEPENDENCIES

The First Nations Engagement Plan will be separate from the community involvement plan.

6.5. COSTS

Yancoal will responsible for all reasonable costs related to the functioning of the SPCAC.

7. REFERENCES

The following references were used and considered in the development of the Community Involvement Plan

Vale Project Advisory Group (2015), Vale Kronau Project Advisory Group Charter

PDAC (2009), Excellence in Social Responsibility e-toolkit (ESR), Version 01

PDAC (2015), First Engagement: A Field Guide for Explorers,

PDAC, Corporate Engagement Program & World Vision Canada, Preventing Conflict in Exploration: A Toolkit for Explorers and Developers

John F. Kennedy School of Government, Harvard University (2008), Rights Compatible Grievance Mechanisms – A Guidance Tool for Companies and Their Stakeholders

Ontario Ministry of Northern Development and Mines (2008), A Practitioner's Guide to Planning for and Permitting a Mineral Development Project in Ontario

Ontario Ministry of the Environment and Climate Change (2014), Consultation in Ontario's Environmental Assessment Process

<http://www.yourcier.org/community-based-monitoring.html>