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# Baffinland Iron Mines Corporation

## DRAFT SOCIO-ECONOMIC MONITORING PLAN

**BAF-PH1-830-P16-0051**

**Rev B Draft for Review**

**Prepared By:**

**Department:**

**Title:**

**Date:**

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# 1 INTRODUCTION

## 1.1 PURPOSE AND SCOPE


This document describes the Socio-Economic Monitoring Plan (Plan) that Baffinland Iron Mines Corporation (Baffinland) will follow for the Mary River Project (Project). This Plan addresses existing socio-economic monitoring requirements for the Project. It forms part of Baffinland's larger environmental management system and describes how the monitoring of socio-economic issues identified in the Final Environmental Impact Statement (FEIS) and Project Certificate will occur. Monitoring results will be reviewed on a regular basis by Baffinland and relevant stakeholders, and a process has been developed for the adaptive management of performance issues that are identified.

Baffinland has been undertaking socio-economic monitoring for the Project since 2013. Baffinland took a stepwise approach to developing its socio-economic monitoring program, focusing its initial reporting on a small number of Valued Socio-Economic Components (VSECs) and indicators. A framework for this initial socio-economic monitoring program was described in the FEIS (Baffinland 2012; Volume 4, Section 15). However, the program's design has evolved significantly over time. This has been a result of lessons being learned, internal refinements to the program (and its indicators) being identified, and valuable feedback being obtained from monitoring stakeholders. Ongoing changes to this program have been described in the annual socio-economic monitoring reports prepared by Baffinland.

This Plan addresses residual effects assessed in the FEIS and those that have since been added or elaborated in discussion with Inuit and other stakeholders. This Plan supports comprehensive socio-economic monitoring for the Project.

The Plan, which supersedes previous plan iterations which have been presented, is based on the following set of updated VSECs:

1. Employment and Wages
2. Education, Training and Career Development
3. Contracting and Business Opportunities
4. Population and Migration
5. Human Health and Well-being
6. Food Security
7. Culture, Resources and Land Use
8. Community Infrastructure and Public Services
9. Benefits, Royalty and Taxation
10. Governance and Leadership
11. Economic Development and Self-Reliance

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## 1.2 RELATIONSHIP TO OTHER MANAGEMENT PLANS

The Project is expected to influence several North Baffin communities including through potential socio-economic benefits and opportunities and/or biophysical or socio-economic impacts. This includes, but is not limited to, potential direct effects on traditional land use of residents within communities in the immediate vicinity of the Project which have existing and historical socio-economic or biophysical ties to the Project area. Therefore, this Plan must be viewed in consideration with the Environmental Management and Monitoring Plans for the Project as listed and described in Table 1-1.


**TABLE 1.1 RELATIONSHIP TO OTHER MANAGEMENT PLANS**

Referenced Management Plan	Document Reference Number	Information Provided by Referenced Plan
Environmental Protection Plan	BAF-PH1-830-P16-0008	Provides relevant environmental protection measures.
Community and Stakeholder Engagement Plan	BAF-PH1-830-P16-0025	Establishes the approach, strategy and means by which Baffinland communicates with Project stakeholders.
Human Resources Management Plan	BAF-PH1-700-P16-0001	Describes policies and processes to address the needs of Baffinland personnel including but not limited to organizational planning, employee communications, recruitment, training and development, compensation plans and benefit programs, and health and safety programs.
Cultural Heritage Resource Protection Plan	BAF-PH1-830-P16-0006	Describes the processes by which ground disturbing activities can be carried out with appropriate assessments by project archaeologists, and also lays out the procedures for addressing chance finds of archaeological resources during construction activities.
Inuit Human Resources Strategy Procedure (Replaced by IIBA Implementation Guide)	BAF-PH1-700-PRO-0005	Describes the underlying values, goals and high-level initiatives that Baffinland, in cooperation with QIA and other stakeholders as appropriate, will undertake to implement the provisions of the IIBA relating to employment, education and training in respect of Inuit.
Inuit Procurement and Contracting Strategy (Replaced by IIBA Implementation Guide)	BAF-PH1-230-P16-0001	Describes the objectives, targets and methodologies with respect to Inuit participation in procurement and contracting opportunities for the Project.
Air Quality and Noise Abatement Management Plan	BAF- PH1-830-P16-0002	Provides guidance on management of air emissions and noise from construction and operation activities. The plan includes actions to control airborne particulates and mitigate/prevent noise hazards/nuisance to site personnel and nearby populations. This Plan is relevant from a human health and welfare perspective.
Terrestrial Environment Mitigation and Monitoring Plan	BAF-PH1-830-P16-0027	Describes measures to avoid, reduce and/or monitor disturbances to vegetation, birds and terrestrial wildlife from Project activities. This Plan is relevant from a cultural land resource use perspective.

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**TABLE 1.1 RELATIONSHIP TO OTHER MANAGEMENT PLANS**

Referenced Management Plan	Document Reference Number	Information Provided by Referenced Plan
Adaptive Management Plan	TBD	Describes the generic approach to adaptive management on the Project, including management plans. Includes objectives, indicators, thresholds and indicators (OITRs) related to the Project.

### 1.3 CORPORATE POLICIES

Baffinland has four corporate policies that apply to this management plan:

- **Sustainable Development (SD) Policy** - identifies Baffinland's commitment internally and to the public to operate in a manner that is environmentally responsible, safe, fiscally responsible and respectful of the cultural values and legal rights of Inuit.
- **Health, Safety and Environment (HSE) Policy** - describes the company's commitment to achieve a safe, healthy and environmentally responsible workplace.
- **Anti-Bribery and Anti-Corruption Policy**- describes Baffinland's commitment to ensuring its directors, officers employees, contractors and representatives conduct due diligence on third parties when promoting Baffinland's business
- **Code of Business Conduct Policy**- describes Baffinland's minimum requirements for directors, officers, employees, contractors and representatives to follow a Code of Business Conduct.


All employees and contractors must comply with the contents of above mentioned policies, which are included in Appendix A.

### 1.4 REGULATORY REQUIREMENTS

This Plan outlines the Project's policies and procedures to support compliance with the relevant terms, conditions and regulations outlined in the following instruments:

- Commercial Lease - Q13C301 with the Qikiqtani Inuit Association (QIA)
- Project Certificate No. 005 issued by the Nunavut Impact Review Board (NIRB)
- Mary River Project Inuit Impact and Benefit Agreement (IIBA) and associated IIBA Implementation Guides (QIA and Baffinland, 2018; QIA and Baffinland, 2019)

Several terms and conditions included in Project Certificate No. 005 relate to Baffinland's engagement with the Qikiqtaaluk Socio-Economic Monitoring Committee (QSEMC). The QSEMC is one of three regional socio-economic monitoring committees in Nunavut. These committees were established in 2007 to address project certificate requirements for project-specific monitoring programs and to create a discussion forum and information sharing hub that supports impacted communities and interested stakeholders to take part in monitoring efforts (SEMCs, 2017). Baffinland will remain actively involved in the QSEMC and will regularly participate in its meetings.

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The Mary River Socio-Economic Monitoring Working Group (MRSEMWG) Terms of Reference (TOR) also provides guidance on Baffinland's socio-economic monitoring program. Baffinland, in addition to the Government of Nunavut, the Government of Canada, and the Qikiqtani Inuit Association (QIA), is a member of the MRSEMWG. The MRSEMWG aims to support Project-specific monitoring in addition to regional monitoring through the QSEMC. The MRSEMWG is also intended to help satisfy and fulfil parts of the terms and conditions set out in Project Certificate No. 005 that relate to socio-economic monitoring. The MRSEMWG TOR can be found in Appendix C.

Pursuant to Commitment 19 of Appendix B of the Project Certificate, the QIA will develop an Inuit Stewardship Plan (ISP). The ISP will be the framework for Inuit-led monitoring of impacts and changes within communities and on the land, waters and ice as a result of the Project (refer to Section 2.2 for more information on the ISP). Under the ISP, QIA and North Baffin Communities (with Baffinland support) will undertake:

- An annual Culture Resource and Land Use (CRLU) monitoring program, and
- An Inuit-led annual social monitoring program focused on community well-being.

These monitoring programs will provide additional data and information to advance understanding of socio-economic conditions and impacts beyond what is covered in Baffinland's SEMP, and will be complementary (rather than duplicative) of one another.

The Nunavut Research Institute (NRI) is responsible for licensing research in the health, natural and social science disciplines as required under Nunavut's *Scientists Act*. Studies undertaken by Baffinland such as monitoring programs indicated above, will be in conformance with NRI guidelines and applicable research licences.

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## 2 PLANNING

### 2.1 OBJECTIVES

Project-specific socio-economic monitoring programs in Nunavut are generally expected to focus on two areas: ‘effects monitoring’ and ‘compliance monitoring’. Effects monitoring keeps track of the socio-economic effects of a project to see if management plans are working or if any unexpected effects are occurring. Compliance monitoring occurs to make sure proponents follow the terms and conditions of the licences, decisions, and certificates issued by authorizing agencies (NIRB, 2013). This focus is commensurate with socio-economic monitoring best practice (e.g. Noble, 2015; Vanclay et al., 2015) and can assist companies with achieving their sustainable development goals.

Socio-economic monitoring also supports adaptive management, as findings can alert project proponents to the emergence of unanticipated effects and help initiate a management response. Furthermore, regular review of monitoring plans will help determine whether existing socio-economic indicators and monitoring methods remain appropriate (Vanclay et al., 2015).

In consideration of the above, this Plan will assist Baffinland in meeting the following objectives:

- Evaluate the accuracy of selected socio-economic effect predictions presented in the Mary River Project FEIS and identify any unanticipated effects.
- Identify areas where Baffinland’s existing socio-economic mitigation and management programs may not be functioning as anticipated.
- Assist regulatory and other agencies in evaluating Baffinland’s compliance with socio-economic monitoring requirements for the Project.
- Support adaptive management by identifying potential areas for improvement in socio-economic monitoring and performance, where appropriate.

The above stated objectives will be achieved by:

- Monitoring socio-economic changes as outlined in this Plan
- Adhering to socio-economic monitoring requirements and guidance
- Preparing an annual socio-economic monitoring report
- Incorporating feedback from the MRSEWG, and QSEMC
- Adapting to feedback from Inuit, specifically through the ISP

Baffinland and the QIA are jointly implementing an adaptive management process into management plans developed for the Project (Section 2.3), and this includes the development of Inuit objectives and indicators.

### 2.2 CONSIDERATION OF INUIT QAUJIMAJATUQANGIT AND LOCAL KNOWLEDGE

Baffinland views Inuit Qaujimaqatugangit (IQ) as central to the successful planning and operation of the Project. IQ is reflective of the Inuit knowledge transferred from generation to generation and captures knowledge of relationships and morality, core values and worldviews, as well as environmental knowledge. As identified in the Mary River Project Inuit Impact and Benefit Agreement (IIBA), IQ is beneficial for the Project and provides critical insights into the environmental, ecological, cultural and socioeconomic dimensions of the Project.


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Given the importance of IQ, Baffinland developed an IQ Framework to guide its integration and use. The IQ Framework supports collaboration and decision-making throughout the life of the Project and is not limited to the approach or methods associated with an individual IQ study. The purpose of the IQ Framework is to identify procedures and provide guidance on the following;

- The processes through which IQ can be shared with Baffinland
- Schedule and timing for gathering and integration of IQ
- Roles and responsibilities of parties involved
- Processes and mechanisms through which IQ informs Project related decision-making

The IQ Framework also defines commonly used terms to support communication between parties and identifies the relationship between the IQ Framework and other management and monitoring plans, including the QIA's Inuit Stewardship Plan. For a greater understanding of the Projects general approach towards consideration of IQ, please refer to the IQ Framework.

In addition to the general pathways that IQ has and will inform this Plan, there are several initiatives with specific relevance to this Plan worth noting here:

- QIA and Baffinland jointly develop and approve, by April 2024, the adaptive management elements for monitoring programs and Inuit Objectives, Indicators, Thresholds and Responses for the Adaptive Management Plan related to narwhal, seal, Arctic char, caribou, dust and culture, resource and land use.
- Baffinland will support and fund the establishment of the Inuit Stewardship Plan (ISP).
- Baffinland will resource QIA's development of Culture, Resource Land Use, the Pond Inlet Country Food Baseline, and Inuit Stewardship Plan according to the "ISP Work Plan" and "Monthly Payments".

## 2.3 PRINCIPLES OF ADAPTIVE MANAGEMENT

Adaptive management is a planned and systematic process for continuously improving environmental management practices by learning about their outcomes. Adaptive management provides flexibility to identify and implement new mitigation measures or to modify existing ones during the life of a project.

Adaptive strategies are implemented when unanticipated adverse effects are observed, or if effects exceed identified thresholds. The management and mitigation of unanticipated adverse effects are most effective when collaboration between Baffinland, local stakeholders and regulators is employed. If effects to the atmospheric environment exceed identified thresholds, Baffinland will implement a corresponding response as contained within the Trigger Action Response Plan (TARP; Section 5), or a reasonable alternative.

### 2.3.1 DEFINING THE ADAPTIVE MANAGEMENT PROCESS


Baffinland has developed a draft Adaptive Management Plan (AMP) that provides the framework by which adaptive management is to be incorporated into Project operations (Baffinland, 2020). The Project-wide adaptive management process begins with a planning phase, followed by iterative phases of implementing and monitoring

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the actions included in the plan(s), evaluating the effectiveness of actions included in the plans based on results of monitoring and other feedback mechanisms, and adjusting management strategies and actions and responses based on monitoring. The cycle begins anew with implementation and monitoring of a revised plan, which integrates the outcomes of the previous cycle. This cycle can occur in real-time or over an extended period according to the nature of the situation or area of focus. In this way, a properly designed and well-implemented adaptive management process progressively diminishes uncertainty, as management strategies and processes are refined throughout a project's operational lifecycle.

Monitoring and responding to effects in the short-term is addressed in a Trigger Action Response Plan (TARP) described in Section 4. The TARP identifies the pre-defined actions to be taken should threshold levels be exceeded. In the socio-economic context, where many of the impacts of the Project are expressed in the positive, many of these thresholds are expressed in terms of the degree to which a positive benefit (such as an employment goal) has not been achieved or has attained a desired level. A series of escalated actions to be implemented are detailed in Section 4. Longer term review of and response to monitoring data is addressed in an annual review of plan effectiveness in Section 5. The latter will include an annual comparison of Project effects against impact predictions made in the Final Environmental Impact Statement (FEIS; Baffinland, 2012) and the addendums (Baffinland, 2013 & 2018).

Implementation of the AMP will be informed by a Baffinland-QIA Adaptive Management Working Group. Ongoing inputs from the Inuit Stewardship Plan as well as Baffinland's ongoing Project monitoring will also form the basis of amendments and refinements to the objectives, indicators, thresholds, and response requirements over time.

### 2.3.2 ADAPTIVE MANAGEMENT CHECKLIST FOR SOCIO-ECONOMIC MANAGEMENT

Table 2.1 presents an adaptive management checklist developed for the Socio-economic Monitoring Plan, identifying how adaptive management has been incorporated into the current revision of the Plan.


**TABLE 2.1 ADAPTIVE MANAGEMENT IN THE SEMP**

Adaptive Management Phases	Components	Proposed Adaptive Management Mechanisms	Status of Management Plan
Plan	Objectives	Are objectives clear and key desired outcomes defined? Do they include Inuit objectives?	<u>In Progress</u> Objectives are identified in Section 2.1.
	Indicators	Are performance indicators adequately identified? Do they include Inuit defined indicators?	<u>In Progress</u> Performance indicators are presented in Section 2.1 and Section 4.1.
	Identification of Thresholds	Are thresholds for specific responses identified (e.g., early warning triggers, action levels, quantitative metrics or qualitative descriptions)?	<u>In Progress</u> Thresholds are presented in Table 4-2. Specific quantifiable thresholds may be difficult to identify for socio-economic indicators..
	IQ Integration / Influence	Are mechanisms for IQ integration/influence identified?	<u>In Progress</u> Section 2.2 identifies the mechanisms for IQ

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Adaptive Management Phases	Components	Proposed Adaptive Management Mechanisms	Status of Management Plan
			integration.
Implement and Monitor	Management Strategies and Responses	Are management strategies and response options clearly identified?	<u>In Progress</u> Actions and management strategies are presented in the TARP (see Table 4-2).
	Resourcing	Are all phases of the adaptive management cycle properly resourced (in accordance with Inuit Agreements) to be fully implemented?	<u>In Progress</u> Resourcing in accordance with Inuit Agreements
	Monitoring	Does the monitoring program provide the information needed to determine the effectiveness of management strategies and responses?	<u>In Progress</u> Monitoring programs are described in Section 4. TARP development will clarify how monitoring programs will inform management strategies..
	Timeline for implementation	Is the possibility that rapid response may be necessary, taken into account in the implementation plan/process?	<u>In Progress</u> Rapid response options may be viable for a limited number of indicators.  Rapid response options, where practicable, will be included in the TARP (see Table 4-2).  Many of the indicators will be observed over time, thus rapid response may not be applicable. Longer-term responses will be identified and will be addressed in annual reviews separate from short-term actions identified in the TARP.
Evaluate and Learn	Review Data and Feedback	Is the process for reviewing and evaluating management effectiveness (based on monitoring data and feedback) articulated?	<u>In Progress</u> Section 5 Review of Plan Effectiveness includes mechanisms for reviewing and evaluating management effectiveness.
	Additional Mitigation	Are mechanisms for determining the need for additional mitigation described?	<u>In Progress</u> Table 4-2 identifies actions to be undertaken according to various triggers.
	Input of IQ Holders	Are opportunities identified for IQ holders to review results and provide input into adaptive management responses / mitigations?	<u>In Progress</u>
Adjust	Unanticipated Effects or Issues	Is it apparent how unanticipated effects or issues will be actioned and resolved?	<u>In Progress</u> Section 5 describes the annual process of identifying and addressing non-compliances and

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<b>Adaptive Management Phases</b>	<b>Components</b>	<b>Proposed Adaptive Management Mechanisms</b>	<b>Status of Management Plan</b>
			unanticipated effects.
	Reporting	Are reporting mechanisms for new / revised strategies and response actions established?	Section 5 describes the process for reporting mechanisms for new / revised strategies A review schedule of the plan is provided in Table 5-1.
	Scheduled Updates	Is the frequency of scheduled updates to the management plan identified?	<u>In Progress</u> A review of the plan is provided in Table 5-1.


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### 3 ROLES AND RESPONSIBILITIES

Resourcing is an important element of socio-economic management. Table 3-1 outlines the roles and responsibilities of Baffinland staff, as well as QIA staff with a role in socio-economic management.


**TABLE 3.1 ROLES AND RESPONSIBILITIES FOR SOCIO-ECONOMIC MANAGEMENT AND MONITORING**

<b>Position</b>	<b>Responsibilities</b>
Senior Director, Sustainable Development	<p>Maintain overall responsibility for quality assurance and control measures applicable to the monitoring program. Ensure Plan objectives are realized, oversee production of an annual monitoring report, maintain engagement with relevant stakeholders (e.g. SEMWG, QSEMC, AMPWG, IIBA Committees, and QIA with regard to ISP implementation), and regularly review the effectiveness of this Plan and employ adaptive management measures as necessary.</p> <p>Delegate certain aspects of the Plan to other qualified personnel (staff and/or technical experts) as appropriate.</p>
SEMWG members QSEMC members IIBA Committee members	Participate in collaborative monitoring, review monitoring results presented in annual reports, and provide feedback to Baffinland on socio-economic performance issues, where appropriate.
Qualified Individuals (Technical Experts)	Engage in the monitoring, collection, analyzing, and interpretation of socio-economic data and information, as directed by Baffinland.
QIA	Lead creation and implementation of the Inuit Stewardship Plan. Agree to and inform Baffinland's adaptive management framework.
Inuit Monitors	Collect and assess observations, data and information related to health and abundance of wildlife, the land and waters, ability of Inuit to continue to live in harmony with the land, and Inuit land and resource use in the Project affected areas.
Inuit Social Oversight Committee	Oversee implementation of the Social Monitoring Program under the ISP.
QIA Regulatory Manager (IIBA)	<ul style="list-style-type: none"> <li>• Directs QIA's onsite environmental resources</li> <li>• Liaise with Baffinland's Permitting and Compliance Managers and/or Environmental Superintendents</li> <li>• Reviews regulatory submissions on behalf of the QIA</li> <li>• Member of the QIA-Baffinland Adaptive Management Working Group</li> </ul>
QIA Environmental Monitor (IIBA)	<ul style="list-style-type: none"> <li>• Monitors implementation of commitments, environmental compliance, and QIA interests</li> <li>• Participate in routine compliance inspections and monitoring alongside Baffinland staff</li> <li>• Participate follow-up corrective action undertaken regarding non-compliance events including spills</li> <li>• Weekly reporting to the QIA Regulatory Manager</li> <li>• Presents annual monitoring data to communities</li> <li>• The core responsibilities of this position are described completely in the IIBA</li> </ul>

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## 4 MONITORING

Baffinland will continue to use adaptive management as a tool for improving the Project's overall socio-economic performance. In the event that socio-economic concerns are identified through monitoring (e.g., observed results differ from those originally predicted, unanticipated effects are uncovered, mitigation measures are not functioning as anticipated, or where non-compliance and/or indicator/ threshold issues are identified), Baffinland will:

- Describe these issues in its Annual Report
- Describe how these issues will be addressed or investigated further, if appropriate, in its Annual Report
- Consult with relevant stakeholders (e.g., MRSEMWG, QSEMC, NIRB, Inuit, Committees), if appropriate, on these issues and consider their feedback in any plans being developed
- Report on the success of any actions taken in subsequent Annual Reports and/or adjust plans as necessary.

In some cases, monitoring results may be integrated into other aspects of the Project, including adjustments to operating procedures and/or refinement of mitigation measures. Instances where this occurs will be described in the Annual Reports. Socio-economic performance concerns can also be raised by Project stakeholders directly to Baffinland, or through review and discussion of annual ISP monitoring program(s), the Annual Project Review Forum, or the NIRB process (e.g., through comments provided on the annual reports), for consideration. In this way, Project socio-economic performance will be adaptively managed in a manner that considers stakeholder feedback.


Table 4-1 includes several instances where indicators haven't been identified by Baffinland for assorted reasons (e.g. insufficient data availability). Should new indicators be required for these topics in the future, they will be selected in consultation with the MRSEMWG. Baffinland also anticipates monitoring may cease for some indicators in the future. This could occur where FEIS predictions have been sufficiently verified over time or where effects are no longer anticipated. Before monitoring or an indicator may cease Baffinland will engage the MRSEMWG and Inuit Committee(s) created under the ISP.

### 4.1 INDICATORS

Socio-economic monitoring indicators to assess the socio-economic performance of the Project have been selected in consideration of indicators of the QSEMC and those presented in the Territorial Socio-Economic Monitoring Workshop Report (Government of Nunavut, 2018), where practical. Since the inception of the Socio-Economic Monitoring Plan, indicators were identified for VSEC-related residual effects and to respond to information requested through the Project Certificate.

With nine years of experience implementing the SEMP, and with development of new related monitoring programs under the ISP, it is timely to review the VSECs and indicators to identify those that are most meaningful to Baffinland, the QSEMC, and affected communities. Proposed revisions to the VSECs and indicator set presented in Table 4-1 take into consideration:

- feedback provided during the MRSEMWG and QSEMC annual meetings;
- The role of Inuit-led monitoring and the additional observations, data and information to be collected through the ISP, which will fill important knowledge gaps; and,

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- Experience analyzing the socio-economic data, which informs assessments of adequacy, quality and meaningfulness of the available datasets, and opportunities to streamline, clarify and improve presentation and understanding of the report.

In particular, it is proposed that QIA Inuit-led monitoring will focus on culture, land use, and understanding impacts of the mine at the community level in general, whereas Baffinland-led monitoring will focus on more mine-centred socio-economic monitoring.

Should new indicators be required for any of these topics in the future, they will be selected in consultation with the MRSEMWG and Inuit Committee(s) created under the ISP.

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**TABLE 4.1        SOCIO-ECONOMIC MONITORING INDICATORS FOR THE MARY RIVER PROJECT**

Indicator	Metric
1. EMPLOYMENT AND WAGES	
<i>To supplement the metrics identified below, detailed employment and wage data broken down by Inuit status, gender, employee location, and employer (BIM vs. contractor) will be presented in data tables and considered / discussed as appropriate in the annual Socio-Economic Monitoring Report. This additional data will be used to contextualize and enhance interpretations of the identified metrics.</i>	
1.1 Total employment	1.1.1 Total FTEs 1.1.2 Contractor FTEs
1.2 LSA and Inuit employment	1.2.1 LSA FTEs 1.2.2 LSA FTE proportion 1.2.3 Inuit FTEs 1.2.4 Inuit FTE proportion
1.4 Employment by gender	1.4.1 Female FTEs 1.4.2 Female FTE proportion
1.5 Inuit employee turnover	1.5.1 Inuit employee departures 1.5.2 Inuit turnover rate - TBC) 1.5.3 Inuit reasons for departure
1.6 Inuit recruitment and retention initiatives	1.6.1 Description and level of support towards recruitment and retention initiatives
1.7 Employee payroll	1.7.1 LSA employee payroll 1.7.2 Inuit employee payroll 1.7.3 Average Inuit income / FTE
2. EDUCATION, TRAINING AND CAREER DEVELOPMENT	
2.1 Investments in school-based initiatives	2.1.1 Description and level of support towards school-based initiatives



**TABLE 4.1      SOCIO-ECONOMIC MONITORING INDICATORS FOR THE MARY RIVER PROJECT**

Indicator	Metric
2.2 Secondary school success	2.2.1 Qikiqtani secondary school graduation rate
2.3 Pre-employment training	2.3.1 Work Ready Program participants 2.3.2 Work Ready Program graduates 2.3.3 Work Ready Program success rate
2.4 Employee training	2.4.1 Total Inuit training hours 2.4.2 Inuit training hours / FTE 2.4.3 Inuit training hours by program 2.4.4 Inuit training spend 2.4.5 Non-mandatory Inuit training hours
2.5 Employee career advancement and education upgrading programs	2.5.1 Active Inuit apprentices 2.5.2 Inuit apprenticeship graduates 2.5.3 Other advancement program participation and graduates
2.6 Employee education and pre-employment status	2.6.1 Educational attainment for Inuit Baffinland employees 2.6.2 Pre-employment job status 2.6.3 Pre-employment education status 2.6.4 LSA educational attainment (census data)
2.7 Employee advancement	2.7.1 Inuit employee promotions 2.7.2 Inuit employee promotion rate
2.8 Employment by skill level	2.8.1 Unskilled Inuit FTEs 2.8.2 Semi-skilled Inuit FTEs 2.8.3 Skilled Inuit FTEs 2.8.4 Management and Professional Inuit FTEs

TABLE 4.1      SOCIO-ECONOMIC MONITORING INDICATORS FOR THE MARY RIVER PROJECT

Indicator	Metric
3. CONTRACTING AND BUSINESS OPPORTUNITIES	
3.1 Inuit firm contracting	3.1.1 Contract commitments to Inuit firms 3.1.2 Contract commitments to Inuit firm proportion 3.1.3 Contracts tendered exclusively to Inuit firms 3.1.4 Contracts tendered exclusively to Inuit firms proportion 3.1.5 Number of Inuit firms to which contracts have been awarded
3.2 Inuit-registered firms	3.2.1 Number of North Baffin LSA-based, NTI-registered firms 3.2.2 Number of Iqaluit-based, NTI-registered firms
3.3 Inuit business development initiatives	3.3.1 Implementation status of IIBA Work Plan activities
4. POPULATION AND MIGRATION	
<i>To supplement the metrics identified below, time series (by year) data will be further analyzed to present pre- and post-development averages where possible and relevant.</i>	
4.1 LSA population	4.1.1 Population of North Baffin LSA communities 4.1.2 Inuit population of North Baffin LSA communities proportion
4.2 Nunavut Migration	4.2.1 Nunavut net migration
4.3 Employee migration and location	4.3.1 Number of Project Inuit employees moving into the LSA 4.3.2 Number of Project Inuit employees moving out of the LSA 4.3.4 Number of Project Inuit employees living outside of Nunavut 4.3.5 Number of Project Inuit employees living outside of Nunavut proportion 4.3.6 Number of Project Inuit employees expressing intention to move and destination (if provided)
5. HUMAN HEALTH AND WELLBEING	

**TABLE 4.1        SOCIO-ECONOMIC MONITORING INDICATORS FOR THE MARY RIVER PROJECT**

Indicator	Metric
<i>To supplement the metrics identified below, time series (by year) data will be further analyzed to present pre- and post-development averages where possible and relevant.</i>	
5.1 Employee perceptions of well-being	5.1.1 Responses to “Baffinland in your community” questions in Inuit employee survey (re: ability to provide for you and your family, community well-being, health and well-being of you and your family), proportion of sample
5.2 Employee use of health and support services	5.2.1 Inuit employee visits to physician's assistants – rate (visits per Inuit employee) 5.2.2 Inuit employee use of Employee and Family Assistance Plan (EFAP) – rate (use per 100 Inuit employees)
5.3 Employee housing status	5.3.1 Responses to “Housing” questions in Inuit employee survey (re: ownership status, home purchasing intention), proportion of sample
5.4 Access to childcare services	5.3.1 Responses to “Childcare” questions in Inuit employee survey (re: having children under 14, sufficient and accessible childcare), proportion of sample
5.5 Employment income in LSA communities	5.4.1 Tax filers in North Baffin LSA communities with employment income proportion 5.4.2 Median employment income in North Baffin LSA communities
5.6 Social assistance in LSA communities	5.5.1 Proportion of North Baffin LSA communities receiving social assistance 5.5.2 Proportion of Iqaluit receiving social assistance
5.7 Crime in LSA communities	5.6.1 Crime rate in LSA communities (violations per 1000 people) 5.6.2 Crime rate in Iqaluit (violations per 1000 people) 5.6.3 Youth charge rate in LSA communities (violations per 1000 people) 5.6.4 Youth charge rate in Iqaluit (violations per 1000 people) 5.6.5 Impaired driving violation rate in LSA communities (violations per 1000 people) 5.6.6 Impaired driving violation rate in Iqaluit (violations per 1000 people) 5.6.7 Drug violation rate in LSA communities (violations per 1000 people) 5.6.8 Drug violation rate in Iqaluit (violations per 1000 people)

**TABLE 4.1      SOCIO-ECONOMIC MONITORING INDICATORS FOR THE MARY RIVER PROJECT**

Indicator	Metric
5.9 Drug and alcohol-related contraband infractions at Project sites	5.9.1 Number of drug and alcohol-related contraband infractions at Project sites 5.9.2 Rate of drug and alcohol-related contraband infractions at Project sites (#/100 employees)
5.10 Placeholder for Inuit-led social stream monitoring indicators (“issues related to community life”)	<i>Metrics to be determined: Monitoring to be overseen by Inuit Social Oversight Committee (ISOC) and to be conducted by Community Action Research Team (CART)</i>
<b>6. FOOD SECURITY</b> <i>To supplement the metrics identified below, references to relevant indicators and metrics from other VSECs (employment and income in LSA communities) will be made using the same “Food security components” framework from the Nunavut Food Security Coalition that was presented in the 2020 report (i.e. table describing the availability, accessibility, quality, and use components of food security).</i>	
6.1 Food security status in LSA communities	6.1.1 LSA community food security rate (NTD: Country food baseline study TBD) 6.1.2 Community harvester participation and / or success rate (source: Inuit-led monitoring program)
6.2 Food security initiatives	6.2.1 Implementation of food security initiatives for employees and their families 6.2.2 Implementation of other company initiatives that may support food security (e.g. Wildlife Compensation Fund, Harvester’s Enabling Fund)
6.3 Placeholder for other Inuit-led led CLRU and Social Stream monitoring: Community harvester participation and/or success rates and other social stream monitoring related to food sources, food security, and food sharing.	<i>Metrics to be determined: Monitoring to be overseen by Inuit Committee and Inuit Social Oversight Committee (ISOC) and to be conducted by CLRU monitoring program and by Community Action Research Team (CART)</i>
<b>7. CULTURE, RESOURCES, AND LAND USE</b>	
7.1 Perceptions on harvesting and other land-based activities	7.1.1 Responses to “Baffinland in your community” questions in Inuit employee survey (re: ability to harvesting or other land-based activities), proportion of sample
7.2 Land use in Project areas	7.2.1 Recorded land use visitor person-days at Mary River

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**TABLE 4.1      SOCIO-ECONOMIC MONITORING INDICATORS FOR THE MARY RIVER PROJECT**

Indicator	Metric
	7.2.2 Recorded land use visitor person-days at Milne Port 7.2.3 Recorded land use visits by group size (monthly) 7.2.4 Wildlife compensation fund claims 7.2.5 Wildlife compensation fund claims dollar value
7.3 Promotion of Inuit culture	7.3.1 List of events and activities that celebrate, or create awareness and understanding of Inuit culture (event name, # participants where possible) (e.g. ICE workshops)
7.4 Placeholder for other Inuit-led led CLRU and Social Stream monitoring: Community harvester participation and/or success rates and other social stream monitoring related to food sources, food security, and food sharing.	<i>Metrics to be determined: Monitoring to be overseen by Inuit Committee and Inuit Social Oversight Committee (ISOC) and to be conducted by CLRU monitoring program and by Community Action Research Team (CART)</i>
<b>8. COMMUNITY INFRASTRUCTURE AND PUBLIC SERVICES</b>	
8.1 Use of community health centres	8.1.1 Health centre visits in LSA communities 8.1.2 Per capita health centre visits in LSA communities 8.1.3 Per capita health centre visits in Iqaluit
8.2 Baffinland use of LSA community infrastructure	8.2.1 Project aircraft movements in LSA community airports 8.2.2 Evacuations from project to regional health centre / hospital (by project site, by type of evacuation) 8.2.3 Meetings held in LSA communities
8.3 Community labour and skills capacity	<i>No dedicated metric collected. Residual effect on community labour and skills capacity will be discussed in context of turnover (VSEC 1), training (VSEC 2), and pre-employment job status (VSEC 2).</i>
8.4 Contributions to community infrastructure	8.4.1 Development, operation, and use of Baffinland community infrastructure contributions

TABLE 4.1      SOCIO-ECONOMIC MONITORING INDICATORS FOR THE MARY RIVER PROJECT

Indicator	Metric
9. BENEFITS, ROYALTY, AND TAXATION	
9.1 Taxes and resource royalties	9.1.1 Fuel tax paid to Government of Nunavut
	9.1.2 Payroll tax paid to Government of Nunavut
	9.1.3 Royalty payments to QIA and NTI
10. GOVERNANCE AND LEADERSHIP	
No monitoring required; no residual effects identified in the EIS	
11. ECONOMIC DEVELOPMENT AND SELF-RELIANCE	
No dedicated indicator(s) at this time	This VSEC speaks to the combined effects of the project on economic development, Inuit autonomy and general wellbeing. This VSEC relates to a number of other VSECs and indicators listed in this table. As such, an assessment of economic development and self-reliance would need to consider data and information from those sections. This could be done qualitatively or through a composite indicator.

\*( ) In the table above information in parentheses denotes planned distinctions within associated visuals in the report (e.g. Total FTEs displayed as a stacked bar of Contractor and Baffinland FTEs)

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## 4.2 DATA SOURCES

Each year, Baffinland will collect and analyze the most recent data and information available related to the VSECs and indicators listed in Table 4-1. Data and information sources will include:

- Company data, including include employment and contracting records, training records, site files, employee surveys and information obtained from other Company documents and employees.
- Government data obtained primarily from the Nunavut Bureau of Statistics, including publicly available Nunavut population data, economic data, labour force and employment data, social data, census data, and Nunavut Housing Survey data. Government data may also be obtained from federal agencies such as Statistics Canada (<https://www.statcan.gc.ca/eng/start>).
- Data from Nunavut Tunngavik Inc. (e.g. on registered Inuit firms) and other sources (e.g. QIA, industry and other associations, research programs).

In addition, Baffinland will review the most recent available reports from other groups, with the goal of integrating relevant data and insights where available, including:

- QSEMC annual meeting reports
- Reports from the IIBA Annual Project Review Forum
- Monitoring program(s) implemented under the ISP
- The Nunavut Socio-Economic Monitoring Report
- Other available studies (e.g. Pond Inlet Country Food Baseline Study), and
- Results from community engagement, and annual community consultations conducted by NIRB on the Project's monitoring programs.

## 4.3 ANALYSIS

The data presented in annual monitoring reports may focus on different spatial scales, such as the Local Study Area (LSA) and Regional Study Area (RSA). As identified in the FEIS, the LSA includes the North Baffin point-of-hire communities of Arctic Bay, Clyde River, Hall Beach, Igloolik, and Pond Inlet, in addition to the City of Iqaluit (which is also a point-of-hire). References to the 'North Baffin LSA' include all these communities except Iqaluit. In some cases, data for the North Baffin LSA communities may be aggregated to facilitate analyses in the Annual Reports. The RSA includes the entire territory of Nunavut. Some data may also be presented at the Project level.


Data will be presented in textual, graphical, or tabular formats, with a source identified for each. Where appropriate, data 'trends' may also be described for indicators assessed in the report. These trends (e.g. pre-development, post-development, and since the previous year) will help demonstrate whether an indicator has exhibited change and will describe the direction of that change. In cases where appropriate indicator data are currently unavailable (see Section 4.4), these topics will continue to be tracked through the QSEMC process and community engagement conducted for the Project, or related indicators. In these cases, qualitative information may be presented in the annual reports that provides insights into the topic(s) being monitored. This could include statements made by stakeholders at recent community engagement events pertaining to the Project, or statements made by community representatives at QSEMC meetings.

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Available data will then be analyzed and discussed in the context of potential Project interactions with the topics and/or indicators of interest. This analysis may help ascertain the accuracy of socio-economic effect predictions contained in the FEIS, or address compliance matters associated with the Project Certificate. For example, residual effects may be assessed against some of the parameters predicted for them in the FEIS, including direction (e.g. positive, negative) and where appropriate, magnitude (e.g. where quantitative metrics were provided in the FEIS). Likewise, this analysis may include discussion on relevant mitigation measures. It may also identify areas where Baffinland's existing socio-economic mitigation and management programs are not functioning as anticipated, or areas for potential performance improvement.

In some cases, long-term data and monitoring may be necessary before FEIS predictions can be verified. In others, direct correlations between the Project and data trends may be unidentifiable or unclear. The process of socio-economic monitoring may require many years of data to effectively discern trends and causality. Even then, various factors (including non-Project ones) may influence causality and these may not be easy to individually measure or confirm. Baffinland's monitoring program is not intended to fully describe the causes of every socio-economic change that is reported. Rather, the program is primarily intended to confirm whether predicted benefits are being delivered and to identify potential areas of socio-economic concern; once identified, these areas may benefit from additional examination or a management response. More generally, successful socio-economic monitoring for the Project will require appropriate long-term data, the regular input of Project stakeholders, and a focus on continuous improvement.

Where thresholds related to the magnitude of socio-economic impacts or benefits have been identified, available monitoring data will be discussed in the context of the TARP, as described in Table 4-2 below. The pre-defined responses described in the table are the management actions that are triggered if annual performance does not achieve objectives agreed to by Baffinland and QIA. Pre-defined responses are provided for a subset of the indicators and metrics listed in Table 4-11, namely those associated with performance areas where Baffinland has more direct control or influence. Any new indicator thresholds to be included in this Plan would be developed in consultation with the MRSEMWG and separately with the QIA for indicator thresholds associated with the Project's Inuit Impact and Benefit Agreement, and would be integrated into relevant IIBA Implementation Guide(s).



TABLE 4.2 SOCIO-ECONOMIC MONITORING PLAN TRIGGER ACTION RESPONSE PLANS

Valued Socio-Economic Component (VSEC)	Objectives	Performance Indicator	Metric	Monitoring Program / Plan	Condition Status / Threshold			Pre-defined Response(s)		
					Low Risk	Moderate Risk	High Risk	Low Risk	Moderate Risk	High Risk
1. EMPLOYMENT AND WAGES	Maximize Inuit Employment at the Mary River Project  Employment programs and initiatives will require cooperation of the Company, QIA, GN, GOC, and affected communities.	1.5 Inuit employee turnover	1.5.2 Inuit turnover rate	Socio-Economic Monitoring Plan IIBA Implementation Guide  Government of Nunavut Baffinland Memorandum of understanding	Inuit turnover objectives as defined by the IIBA Annual Work Plan and Measurable Objectives are met.	Some Inuit turnover objectives as defined by the IIBA Annual Work Plan and Measurable Objectives were met.	No Inuit turnover objectives as defined by the IIBA Annual Work Plan and Measurable Objectives were met.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan.  QIA and Baffinland continually review improvements to Inuit employment initiatives through IIBA committees. MRSEWG continue to discuss ways in which Inuit retention can be increased at the Project.  Responsible: Baffinland IIBA Committee Members	Review of IIBA Work Plan with the appropriate IIBA Committee to determine why Measurable objectives were not met.  If objectives were not met due to company in action, additional measures to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to address company in action. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Responsible: Baffinland IIBA Committee Members	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Remedial actions/ measures to be outlined by Baffinland to address short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.  Responsible: Baffinland IIBA Committee Members
2. EDUCATION, TRAINING AND CAREER DEVELOPMENT	Provide training to Inuit in all areas of the Project.  Education and training will require cooperation of the Company, QIA, GN, GOC, training institutions, and affected communities.	2.3 Pre-employment training	2.3.1 Work Ready Program participants	Socio-Economic Monitoring Plan IIBA Implementation Guide	Work Ready programs are administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	Some Work Ready programs are administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	None of the Work Ready programs are administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan.  QIA and Baffinland continually review improvements to Inuit education and training initiatives through IIBA committees. MRSEWG continue to discuss ways in which Inuit education and training can be increased at the Project.  Responsible: Baffinland IIBA Committee Members	Review of IIBA Work Plan with the appropriate IIBA Committee to determine why some programs were not run.  If those programs were not run due to company in action, additional programming to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to account for programming not run due to company in action. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  If those programs are not run due to inaction or circumstance of a third party, Baffinland to investigate and provide a report to the QIA and MRSEMWG which will include potential remedies to be included in future IIBA Annual Work Plans.  Responsible: Baffinland IIBA Committee Members	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Remedial actions/ measures to be outlined by Baffinland to address short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.  Responsible: Baffinland IIBA Committee Members
2. EDUCATION, TRAINING AND CAREER DEVELOPMENT	Provide training to Inuit in all areas of the Project.  Education and training will require	2.4 Employee training	2.4.4 Inuit training spend	Socio-Economic Monitoring Plan	Inuit training programs are administered and completed in accordance with the	Some Inuit training programs are administered and completed in accordance with the	None of the Inuit training programs are administered and completed in accordance with the	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan.  QIA and Baffinland continually review improvements to Inuit	Review of IIBA Work Plan with the appropriate IIBA Committee to determine why some programs were not run.	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Remedial actions/ measures to be outlined by Baffinland to address

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TABLE 4.2 SOCIO-ECONOMIC MONITORING PLAN TRIGGER ACTION RESPONSE PLANS

Valued Socio-Economic Component (VSEC)	Objectives	Performance Indicator	Metric	Monitoring Program / Plan	Condition Status / Threshold			Pre-defined Response(s)		
					Low Risk	Moderate Risk	High Risk	Low Risk	Moderate Risk	High Risk
	cooperation of the Company, QIA, GN, GOC, training institutions, and affected communities.			IIBA Implementation Guide	IIBA Annual Work Plan and Measureable Objectives.	IIBA Annual Work Plan and Measureable Objectives.	IIBA Annual Work Plan and Measureable Objectives.	education and training initiatives through IIBA committees. MRSEWG continue to discuss ways in which Inuit education and training can be increased at the Project.  Responsible: Baffinland IIBA Committee Members	If those programs were not run due to company inaction, additional programming to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to account for programming not run due to company inaction. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  If those programs are not run due to inaction or circumstance of a third party, Baffinland to investigate and provide a report to the QIA and MRSEMWG which will include potential remedies to be included in future IIBA Annual Work Plans.  Responsible: Baffinland IIBA Committee Members	short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.  Responsible: Baffinland IIBA Committee Members
2. EDUCATION, TRAINING AND CAREER DEVELOPMENT	Provide training to Inuit in all areas of the Project.  Education and training will require cooperation of the Company, QIA, GN, GOC, training institutions, and affected communities.	2.4 Employee training	2.4.5 Non-mandatory Inuit training hours	Socio-Economic Monitoring Plan IIBA Implementation Guide	Inuit training programs are administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	Some Inuit training programs are administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	None of the Inuit training programs are administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan. QIA and Baffinland continually review improvements to Inuit education and training initiatives through IIBA committees. MRSEWG continue to discuss ways in which Inuit education and training can be increased at the Project.  Responsible: Baffinland IIBA Committee Members	Review of IIBA Work Plan with the appropriate IIBA Committee to determine why some programs were not run.  If those programs were not run due to company inaction, additional programming to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to account for programming not run due to company in action. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  If those programs are not run due to inaction or circumstance of a third party, Baffinland to investigate and provide a report to the QIA and MRSEMWG which will include potential remedies to be included in future IIBA Annual Work Plans.	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Remedial actions/ measures to be outlined by Baffinland to address short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.  Responsible: Baffinland IIBA Committee Members

TABLE 4.2 SOCIO-ECONOMIC MONITORING PLAN TRIGGER ACTION RESPONSE PLANS

Valued Socio-Economic Component (VSEC)	Objectives	Performance Indicator	Metric	Monitoring Program / Plan	Condition Status / Threshold			Pre-defined Response(s)		
					Low Risk	Moderate Risk	High Risk	Low Risk	Moderate Risk	High Risk
									Responsible: Baffinland IIBA Committee Members	
2. EDUCATION, TRAINING AND CAREER DEVELOPMENT	Provide training to Inuit in all areas of the Project.  Education and training will require cooperation of the Company, QIA, GN, GOC, training institutions, and affected communities.	2.5 Employee career advancement and education upgrading programs	2.5.1 Active Inuit apprentices	Socio-Economic Monitoring Plan IIBA Implementation Guide	The Inuit Apprenticeship Program is administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	Some of the Inuit Apprenticeship Program is administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives	None of the Inuit Apprenticeship Program is administered and completed in accordance with the IIBA Annual Work Plan and Measureable Objectives.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan.  QIA and Baffinland continually review improvements to Inuit education and training initiatives through IIBA committees. MRSEWG continue to discuss ways in which Inuit education and training can be increased at the Project.  Responsible: Baffinland IIBA Committee Members	Review of IIBA Work Plan with the appropriate IIBA Committee to determine why the Inuit Apprenticeship Program was not fully completed.  If this program was not run due to company inaction, additional programming to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to account for programming not run due to company in action. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  If those programs are not run due to inaction or circumstance of a third party, Baffinland to investigate and provide a report to the QIA and MRSEMWG which will include potential remedies to be included in future IIBA Annual Work Plans.  Responsible: Baffinland IIBA Committee Members	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Remedial actions/ measures to be outlined by Baffinland to address short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.  Responsible: Baffinland IIBA Committee Members
2. EDUCATION, TRAINING AND CAREER DEVELOPMENT	Provide training to Inuit in all areas of the Project.  Education and training will require cooperation of the Company, QIA, GN, GOC, training institutions, and affected communities.	2.8 Employment by skill level	2.8.2 Proportion of Unskilled Positions filled by Inuit	Socio-Economic Monitoring Plan IIBA Implementation Guide	Employment objectives as defined by the IIBA Annual Work Plan (Minimum Inuit Employment Goals) and Measurable Objectives are met.	Some employment objectives as defined by the IIBA Annual Work Plan (Minimum Inuit Employment Goals- MIEGs) and Measurable Objectives were met.	No employment objectives as defined by the IIBA Annual Work Plan (Minimum Inuit Employment Goals) and Measurable Objectives were met.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan.  QIA and Baffinland continually review improvements to Inuit employment initiatives through IIBA committees. MRSEWG continue to discuss ways in which Inuit employment can be increased at the Project.  Responsible: Baffinland IIBA Committee Members	Review of IIBA Work Plan with the appropriate IIBA) to determine why some employment objectives (MIEGs) and Measurable objectives were not met.  If objectives were not met due to company in action, additional measures to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to address company in action. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Remedial actions/ measures to be outlined by Baffinland to address short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.  Responsible: Baffinland IIBA Committee Members


TABLE 4.2 SOCIO-ECONOMIC MONITORING PLAN TRIGGER ACTION RESPONSE PLANS

Valued Socio-Economic Component (VSEC)	Objectives	Performance Indicator	Metric	Monitoring Program / Plan	Condition Status / Threshold			Pre-defined Response(s)		
					Low Risk	Moderate Risk	High Risk	Low Risk	Moderate Risk	High Risk
									Responsible: Baffinland IIBA Committee Members	
3. CONTRACTING AND BUSINESS OPPORTUNITIES	The Company will maximize contracting and subcontracting opportunities for qualified Inuit Firms throughout the Construction, Operations and Decommissioning Phases of the Mary River Project.	3.1 Inuit firm contracting	3.1.2 Contract commitments to Inuit firm proportion	Socio-Economic Monitoring Plan IIBA Implementation Guide	Contracting objectives as defined by the IIBA Annual Work Plan and Measurable Objectives are met.	Some contracting objectives as defined by the IIBA Annual Work Plan and Measurable Objectives are met.	No Contracting objectives as defined by the IIBA Annual Work Plan and Measurable Objectives are met.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan. QIA and Baffinland continually review improvements to Inuit firm contracting initiatives through IIBA committees. MRSEWG continue to discuss ways in which Inuit firm contracting can be increased at the Project.  Responsible: Baffinland IIBA Committee Members	Review of IIBA Work Plan with the appropriate IIBA Committee to determine why some contracting Measurable objectives were not met. If objectives were not met due to company in action, additional measures to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to address company in action. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.  Responsible: Baffinland IIBA Committee Members	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA. Remedial actions/ measures to be outlined by Baffinland to address short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.  Responsible: Baffinland IIBA Committee Members
6. FOOD SECURITY	To monitor food security, and culture Resources and land use in the North Baffin Region	6.1 Food security status in LSA communities	6.1.1 LSA community food security rate (NTD: Country food baseline study TBD) <i>6.1.2 Community harvester participation and / or success rate (source: Inuit-led monitoring program)</i>	Socio-Economic Monitoring Plan Inuit Impact and Benefit Agreement Inuit Stewardship Plan						
6. FOOD SECURITY	To monitor food security, and culture Resources and land use in the North Baffin Region	6.2 Food security initiatives	6.2.1 Implementation of defined food security initiatives for employees and their families  6.2.2 Implementation of other company initiatives that may support food	Socio-Economic Monitoring Plan IIBA Implementation Guide	Activities to promote food security defined by the IIBA Annual Work Plan are completed.	Some activities to promote food security defined by the IIBA Annual Work Plan are completed.	No activities to promote food security defined by the IIBA Annual Work Plan are completed.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan and those agreed to by the GN-BIM MOU Working Group. QIA and Baffinland continually review improvements to Inuit employment initiatives through IIBA committees. MRSEWG continue to discuss ways in which	If program is related to the IIBA, review IIBA Work Plan with the appropriate IIBA Committee to determine why objectives Measurable objectives were not met. If program is related to the IIBA, determine if objectives were not met due to company in action, additional measures to be put in	Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA. Remedial actions/ measures to be outlined by Baffinland to address short comings in future IIBA Annual Work Plans. Remedial actions/ measures to be reported by Baffinland to the MRSEMWG and in the annual SEMR.



TABLE 4.2 SOCIO-ECONOMIC MONITORING PLAN TRIGGER ACTION RESPONSE PLANS

Valued Socio-Economic Component (VSEC)	Objectives	Performance Indicator	Metric	Monitoring Program / Plan	Condition Status / Threshold			Pre-defined Response(s)		
					Low Risk	Moderate Risk	High Risk	Low Risk	Moderate Risk	High Risk
			security (e.g. Wildlife Compensation Fund, Harvester’s Enabling Fund)					Inuit employment can be increased at the Project.	place, in consultation with the QIA, in the following IIBA Annual Work Plan to address company in action. Compensation outlined in the IIBA related to Measurable Objectives to be delivered to QIA.	
CULTURE, RESOURCES, AND LAND USE	To monitor food security, and culture Resources and land use in the North Baffin Region	7.3 Promotion of Inuit culture	7.3.1 List of events and activities that celebrate, or create awareness and understanding of Inuit culture (event name, # participants where possible) (e.g. ICE workshops)	Socio-Economic Monitoring Plan IIBA Implementation Guide	Activities that celebrate or create cultural awareness as defined by the IIBA Annual Work Plan are completed.	Some activities that celebrate or create cultural awareness as defined by the IIBA Annual Work Plan are completed.	No activities that celebrate or create cultural awareness as defined by the IIBA Annual Work Plan are completed.	Continued implementation of programs and initiatives outlined in the IIBA Annual Work Plan.  QIA and Baffinland continually review improvements to initiatives through IIBA committees.	Review of IIBA Work Plan with the appropriate IIBA to determine why activities were not completed.  If not completed due to company in action, additional measures to be put in place, in consultation with the QIA, in the following IIBA Annual Work Plan to address company in action.	Failure to achieve objectives as per the Work Plan are discussed by the JEC and future actions, remedial measures are agreed to and implemented in the following year.

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#### 4.4 DATA LIMITATIONS

Some data limitations with the Project's socio-economic monitoring program have been identified to-date. Notably, appropriate indicator data (e.g., annually produced, community-level statistics) are currently unavailable for some topics described in Table 4-1. As such, these topics continue to be tracked through the QSEMC process, community engagement conducted for the Project, or related indicators. Should new indicators be required in the future, they will be selected in consultation with the MRSEMWG. Topics for which data limitations currently exist include:


- Out-migration of Inuit residents from the North Baffin LSA communities (currently only Nunavut wide net migration data is available)
- Barriers to employment for women, specifically relating to childcare availability and costs
- Indicators and data related to community wellness in general, including appropriate Hamlet-level data.
- Project harvesting interactions and food security, which includes broad indicators of dietary habits
- Health data (e.g. data on sexually transmitted infections)

Baffinland's most recent Socio-Economic Monitoring Report should be consulted for additional details on the data limitations related to these topics and how they are currently being addressed. Some government data are not available for the current year due to lag times (i.e. data only becomes available 1 to 3 years later) or multi-year collection cycles (e.g. StatsCan Aboriginal Peoples Survey). Instances where this has occurred will be identified in the annual Socio-Economic Monitoring Report. Where internal Baffinland data limitations may exist, Baffinland will attempt to present data conservatively and/or identify where these limitations exist in the annual Socio-Economic Monitoring Report.

#### 4.5 REPORTING

To meet the objectives identified in Section 2.1, Baffinland will prepare an annual Socio-Economic Monitoring Report. This Report will be prepared for all Project phases, or as required by the NIRB. It will be made available to the MRSEMWG, QSEMC, NIRB, publicly through the NIRB public registry and Baffinland website. This Report will present information related to VSECs assessed in the FEIS. As noted previously, selected socio-economic effects from the FEIS will be described in addition to relevant Terms and Conditions contained in most current Project Certificate 005 as issued by the NIRB. This will include a presentation of indicator data related to those topics (where available) and an analysis of that data. Structuring the report in this manner will permit FEIS predictions to be more readily verified (or refuted), help ensure Project Certificate compliance issues are addressed, and provide insight into the effectiveness of existing mitigation measures.

Summaries of annual socio-economic monitoring reports and/or NIRB Annual Reports prepared by Baffinland will be made available in Inuktitut. Requests for the translation of additional information will be handled on an individual basis. If required, the Company will also arrange to have Inuktitut interpreters present at any Baffinland community meetings where monitoring results are discussed.

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Baffinland’s socio-economic monitoring program is part of the larger environmental management system developed for the Project, which includes the monitoring of several additional areas (e.g. marine, freshwater, and terrestrial environments). These monitoring programs are described more fully in the NIRB Annual Reports prepared by Baffinland. Baffinland also prepares separate monthly, quarterly, and annual reports for the QIA on IIBA implementation matters, although these remain internal to Baffinland and the QIA.


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## 5 REVIEW OF PLAN EFFECTIVENESS

An important element of Baffinland's management system is reviewing the continued suitability, adequacy and effectiveness of each management plan. This will occur through an annual review process as well as scheduled updates.

### 5.1 ANNUAL REVIEW OF COMPLIANCE AND UNANTICIPATED EFFECTS

Baffinland conducts internal inspections and audits throughout the year, and immediate corrective actions are taken as appropriate to address instances of non-compliance, as well as unanticipated effects observed. Follow-up corrective actions may also be required. These immediate and follow-up corrective actions are documented in the Annual Report.

One follow-up corrective action may be to revise mitigation measures or monitoring programs described in the applicable management plans. During the annual reporting cycle, Baffinland staff will review instances of non-compliance as well as unanticipated effects and determine if a review of plan effectiveness is appropriate. Should there be a significant unanticipated effect, determined by the Inuit Committee and/or community observations, a review of plan effectiveness will be completed. This process is articulated in Figure 5.1.

Part of this annual review cycle is the incorporation of IQ, which may include feedback from the Inuit Committee and/or community observations. This process may occur annually whether repeat non-compliance and/or unanticipated effects are identified (Figure 5.1).

### 5.2 SCHEDULED UPDATES

In addition to the annual review cycle described above, scheduled Plan reviews will occur, at a minimum, according to the schedule presented in Table 5-1.

**TABLE 5.1 PLAN REVIEW SCHEDULE**


Review Event	Description
Prior to construction <sup>1</sup>	Incorporate any additional requirements specified in the Amended Project Certificate
Post-construction	Mandatory management review
Every 3 years during operation	Mandatory management review

**NOTE:**

1. This is a generic term that applies to Project expansions or other major sustaining capital works.

In addition to the scheduled updates presented in Table 5-1, Plan updates may be required based on feedback from the MRSEMWG, QSEMC and/or results of the annual review process. It is acknowledged that any significant changes to the socio-economic monitoring program will require discussion with the MRSEMWG and Inuit Committees.



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Plan updates will be recorded in the Document Revision Record located at the front of the Plan. Each plan update will be provided to the QIA for review and approval before being finalized for implementation.


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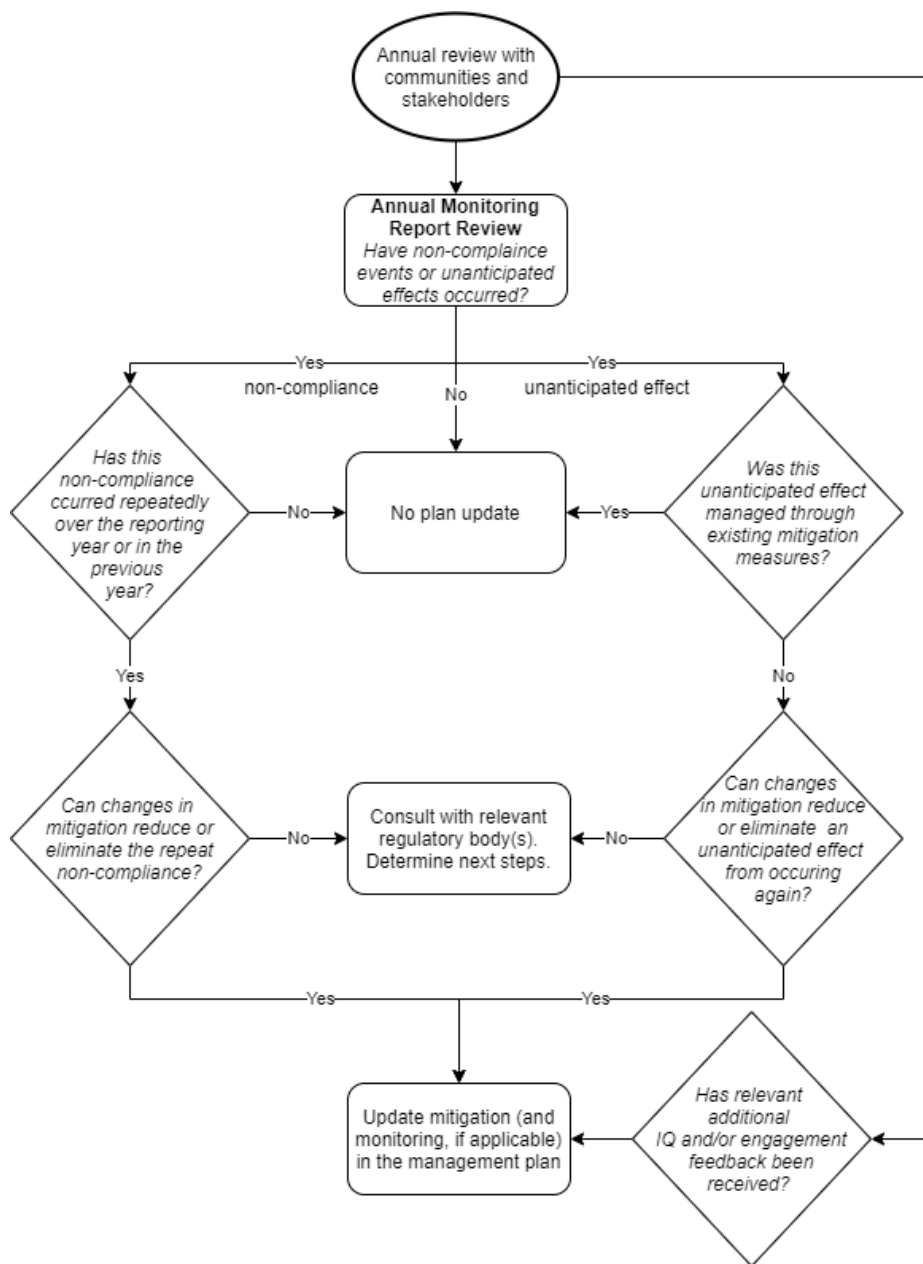
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**FIGURE 5.1 Annual Review of Plan Effectiveness**

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## Appendix A Corporate Policies

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# Sustainable Development Policy



At Baffinland Iron Mines Corporation (Baffinland), we are committed to conducting all aspects of our business in accordance with the principles of sustainable development & corporate responsibility and always with the needs of future generations in mind. Baffinland conducts its business in accordance with the Universal Declaration of Human Rights.

Everything we do is underpinned by our responsibility to protect the environment, to operate safely and fiscally responsibly and with utmost respect for the cultural values and legal rights of Inuit. We expect each and every employee, contractor, and visitor to demonstrate courageous leadership in personally committing to this policy through their actions. The four pillars of our corporate responsibility strategy are:

1. Health and Safety
2. Environment
3. Upholding Human Rights of Stakeholders
4. Transparent Governance

## Health and Safety

- We strive to achieve the safest workplace for our employees and contractors; free from occupational injury and illness, where everyone goes home safe everyday of their working life. Why? Because our people are our greatest asset. Nothing is as important as their health and safety. Our motto is "Safety First, Always"
- We report, manage and learn from injuries, illnesses and high potential incidents to foster a workplace culture focused on safety and the prevention of incidents
- We foster and maintain a positive culture of shared responsibility based on participation, behaviour, awareness and promoting active courageous leadership. We allow our employees and contractors the right to stop any work if and when they see something that is not safe

## Environment

- Baffinland employs a balance of the best scientific and traditional Inuit knowledge to safeguard the environment
- We apply the principles of pollution prevention, waste reduction and continuous improvement to minimize ecosystem impacts, and facilitate biodiversity conservation
- We continuously seek to use energy, raw materials and natural resources more efficiently and effectively. We strive to develop more sustainable practices. We strive to develop more sustainable practices
- Baffinland ensures that an effective closure strategy is in place at all stages of project development to ensure reclamation objectives are met

## Upholding Human Rights of Stakeholders

- We respect human rights, the dignity of others and the diversity in our workforce. Baffinland honours and respects the unique cultural values and traditions of Inuit
- Baffinland does not tolerate discrimination against individuals on the basis of race, colour, gender, religion, political opinion, nationality or social origin, or harassment of individuals freely employed
- Baffinland contributes to the social, cultural and economic development of sustainable communities in the North Baffin Region

# Sustainable Development Policy



- We honour our commitments by being sensitive to local needs and priorities through engagement with local communities, governments, employees and the public. We work in active partnership to create a shared understanding of relevant social, economic and environmental issues, and take their views into consideration when making decisions
- We expect our employees and contractors, as well as community members, to bring human rights concerns to our attention through our external grievance mechanism and internal human resources channels. Baffinland is committed to engaging with our communities of interest on our human rights impacts and to reporting on our performance

## Transparent Governance

- Baffinland will take steps to understand, evaluate and manage risks on a continuing basis, including those that may impact the environment, employees, contractors, local communities, customers and shareholders.
- Baffinland endeavours to ensure that adequate resources are available and that systems are in place to implement risk-based management systems, including defined standards and objectives for continuous improvement.
- We measure and review performance with respect to our safety, health, environmental, socio-economic commitments and set annual targets and objectives.
- Baffinland conducts all activities in compliance with the highest applicable legal & regulatory requirements and internal standards.
- We strive to employ our shareholder's capital effectively and efficiently and demonstrate honesty and integrity by applying the highest standards of ethical conduct.

A handwritten signature in dark ink, appearing to read "Brian Penney".

Brian Penney  
Chief Executive Officer  
March 2016

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# Baffinland Iron Mines Corporation

## Health, Safety and Environment Policy

**BAF-PH1-800-POL-0001**

**Rev 3**

**Approved by: Brian Penney**

**Title: Chief Executive Officer**

**Date: May 3rd, 2019**

**Signature:** 

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## DOCUMENT REVISION RECORD

Issue Date MM/DD/YY	Revision	Prepared By	Approved By	Issue Purpose
05/07/15	0	EM	TP	For Use
03/07/16	1	JS	BP	Minor edits
04/20/18	2	TS	SA/BP	Minor edits
05/03/19	3	TS	BP	Minor edits

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This Baffinland Iron Mines Corporation Policy on Health, Safety and Environment is a statement of our commitment to achieving a safe, healthy and environmentally responsible workplace. We will not compromise this policy for the achievement of any other organizational goals.

We implement this Policy through the following commitments:

- Continual improvement of safety, occupational health and environmental performance
- Meeting or exceeding the requirements of regulations and company policies
- Integrating sustainable development principles into our decision-making processes
- Maintaining an effective Health, Safety and Environmental Management System
- Sharing and adopting improved technologies and best practices to prevent injuries, occupational illnesses and environmental impacts
- Engaging stakeholders through open and transparent communication.
- Efficiently using resources, and practicing responsible minimization, reuse, recycling and disposal of waste.
- Reclamation of lands to a condition acceptable to stakeholders.

Our commitment to provide the leadership and action necessary to accomplish this policy is exemplified by the following principles:

- As evidenced by our motto “Safety First, Always” and our actions Health and Safety of personnel and protection of the environment are values not priorities.
- All injuries, occupational illnesses and environmental impacts can be prevented.
- Employee involvement and active contribution through courageous leadership is essential for preventing injuries, occupational illnesses and environmental impacts.
- Working in a manner that is healthy, safe and environmentally sound is a condition of employment.
- All operating exposures can be safeguarded.
- Training employees to work in a manner that is healthy, safe and environmentally sound is essential.
- Prevention of personal injuries, occupational illnesses and environmental impacts is good business.
- Respect for the communities in which we operate is the basis for productive relationships.

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We have a responsibility to provide a safe workplace and utilize systems of work to meet this goal. All employees must be clear in understanding the personal responsibilities and accountabilities in relation to the tasks we undertake.

The health and safety of all people working at our operation and responsible management of the environment are core values to Baffinland. In ensuring our overall profitability and business success every Baffinland and business partner employee working at our work sites is required to adhere to this Policy.




Brian Penney  
Chief Executive Officer  
May 2019

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## Appendix B

### IIBA, ICA, and Government of Nunavut- Baffinland Memorandum of Understanding

**This Memorandum of Understanding made this second day of April, 2019**

**Between:**

**The Government of Nunavut as represented by the Minister of Economic Development and Transportation (the “GN”)**

**and**

**Baffinland Iron Mines Corp.**

a corporation incorporated under the laws of the province of Ontario and  
having a head office at Oakville, Ontario, Canada  
**(“Baffinland”)**

(hereinafter referred to individually as a “Party”, and collectively as the “Parties”)

**WHEREAS** the GN and Baffinland share the belief that Nunavummiut should benefit from resource development within the territory of Nunavut and that, therefore, maximizing their capacity to engage in such development is important;

**AND WHEREAS** the GN and Baffinland recognize the mutual benefit that may be gained by working collaboratively to: share information, increase opportunities for Nunavummiut to participate in the wage economy, ensure responsible mining development in a manner that minimizes impacts on the environment and wildlife, and consider joint initiatives that will result in socio-economic benefits to Nunavummiut;

**AND WHEREAS** such collaboration between the GN and Baffinland will benefit the Parties and all Nunavummiut, and will optimize the efficient and effective use of available resources;

**AND WHEREAS** Baffinland is committed to meeting obligations, including those in relation to socio-economic benefits, contained in Inuit Impact and Benefit Agreements entered into between the Qikiqtani Inuit Association and Baffinland in relation to the Mary River mining project;

**NOW THEREFORE**, the Parties agree as follows:

**Purpose**

The purpose of this Memorandum of Understanding (“MOU”) is to assert the Parties’ strategic alliance and cooperation and partnership to promote responsible economic development and enable mutual benefits as opportunities continue to emerge in Nunavut.

**Collaboration and Facilitation of Partnerships**

1. The Parties commit to exploring opportunities for collaboration, information sharing and facilitation of partnerships in the following priority areas:

a) Barriers to Employment

*Government of Nunavut and Baffinland agree to cooperate to reduce barriers to employment that may result from delays in pre-employment health care services and disincentives from employment due to rent control policies for those residing in public housing.*

b) Education and Training

*Government of Nunavut and Baffinland agree to collaborate on the development of education and training programs that are designed to increase Inuit employment at the Mary River Project.*

c) Community Wellness

*Government of Nunavut and Baffinland agree to work in partnership to develop programs to address addictions, improve community based family counselling services, as well as the development of programs to increase awareness of sexually transmitted infections.*

d) Infrastructure and Transportation

*Government of Nunavut and Baffinland agree to look for ways that Project and Public infrastructure can support the needs of either party to increase Inuit employment at the Project, improve community educational, training, and recreational opportunities, as well as support the development plans of Hamlet Governments, when possible and practicable.*

2. Within 90 days of the signing of this MOU, the Parties will:
  - a. Establish an oversight committee (the "Committee") comprised of two (2) senior-level representatives from each Party; and
  - b. Develop terms of reference for the Committee, including the roles and responsibility of any sub-committees and secretariat (the "Terms of Reference").
3. The Parties agree that maximizing Inuit employment for Nunavut Inuit is a priority under this agreement. Partnerships to facilitate the hiring of Inuit and maximize the successes of Inuit employees are to be pursued through this MOU. Hiring priority will be given first to Inuit from Pond Inlet, Arctic Bay, Igloolik, Hall Beach, and Clyde River. Priority thereafter will be given to Inuit residents of the remaining Baffin communities, and then to all Inuit outside of the Baffin region enrolled under the Nunavut Agreement.
4. Unless otherwise specifically agreed to in advance, each Party will be responsible for the costs of its own participation and involvement in this MOU, including in the Committee, and any subcommittees, and/or secretariat.

## **Review**

5. The Parties will review this MOU every three (3) years to ensure that the terms and conditions remain acceptable and priority areas remain pertinent.
6. Initiatives undertaken by the Parties in accordance with this MOU shall be the subject of a joint annual review by the Parties.

## **Not Legally Binding**

7. This MOU is not a legally binding agreement and places no legal obligations on either of the Parties.
8. This MOU shall not be interpreted to either require or exclude cooperation on any specific matter, nor shall it in any way limit the ability of either Party to independently determine and pursue its own objectives or priorities.

## **Dispute Resolution**

9. Parties agree that they shall make bona fide efforts to resolve by good faith negotiations any dispute involving the interpretation or implementation of this MOU, which negotiations shall not terminate until the CEO of Baffinland (or designate) and the Premier of Nunavut (or designate) have considered the dispute.

## **Amendment and Termination**

10. This MOU comes into effect on the date it is signed by both Parties and remains in effect unless terminated in accordance with section 13.
11. This MOU may be amended at any time by written agreement of the Parties.
12. Either Party may cease to participate in this MOU by providing the other Party with written notice to this effect and this MOU shall terminate ninety (90) days after the date of such notice.

## **General**

13. Neither Party shall be responsible for the actions of third parties who may be involved in initiatives entered into in accordance with this MOU.
14. This MOU shall be governed by the laws of the territory of Nunavut.
15. Each Party shall retain intellectual, industrial and proprietary rights to any information shared with the other Party in accordance with this MOU.

16. Each Party shall comply with all laws in relation to the collection, use, disclosure, and privacy of personal and other information when sharing any information with the other Party in accordance with this MOU.

**Notice**

17. Any notice required to be provided in accordance with this MOU shall be sent by facsimile or electronic means and delivered to:

- a. For the GN:

David Kunuk  
Director, Minerals and Petroleum Resources  
Department of Economic Development and Transportation  
[dkunuk@gov.nu.ca](mailto:dkunuk@gov.nu.ca)  
867-975-7870 fax

- b. For Baffinland:

- i. Baffinland Iron Mines Corporation  
2275 Upper Middle Road East- Suite 300  
Oakville, ON L6H 0C3  
ii. [Andrew.Moore@baffinland.com](mailto:Andrew.Moore@baffinland.com)  
Andrew Moore  
Manager, Inuit, Government and Stakeholder Relations

Signed by the duly authorized representatives of the Parties as of the date first written above:

**Government of Nunavut**




Honourable David Akeeagok  
Minister Economic Development  
and Transportation

**Baffinland Iron Mines Corp.**



Brian Penney  
President and Chief Executive Officer

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## Appendix C

### MRSEMWG Terms of Reference

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## MARY RIVER SOCIO-ECONOMIC MONITORING WORKING GROUP

### TERMS OF REFERENCE

#### 1 PURPOSE

- 1.1 This document sets out the terms of reference (“Terms of Reference”) for the Mary River Socio-Economic Monitoring Working Group (the “Working Group”) in relation to the Socio-Economic Monitoring Program (the “Program”) for Baffinland Iron Mines Corporation’s (“Baffinland”) Mary River Project (the “Project”). It is a revision to a previous Terms of Reference developed for the Working Group, dated December 3, 2012. This Working Group aims to support the Qikiqtaaluk Socio-Economic Monitoring Committee (the “QSEMC”) in its regional monitoring initiatives, and to support the Program. The Working Group will identify and discuss areas of mutual interest to the Parties and socio-economic monitoring priorities of the QSEMC related to the Project.
- 1.2 The purpose of the Program, from a socio-economic point of view, is described in Section 135 of the *Nunavut Planning and Project Assessment Act* (“NuPPAA”) and Article 12, Part 7 of the *Nunavut Agreement* (“NA”), the relevant provisions of which provide as follows:

NuPPAA section 135(3):

- (a) *measure the impact of the project on the ecosystemic and socio-economic environments of the designated area;*
- ...
- (d) *assess the accuracy of the predictions contained in the project impact statement.*

NA section 12.7.2:

- (a) *to measure the relevant effects of projects on the.... socio-economic environments of the Nunavut Settlement Area;*
- ...
- (d) *to assess the accuracy of the predictions contained in the project impact statements.*

- 1.3 The establishment of the Working Group is meant to help satisfy and fulfil parts of the terms and conditions set out in the Mary River Project Certificate (No. 005) issued by the Nunavut Impact Review Board (the “NIRB”) to the extent that this Project Certificate addresses socio-economic monitoring.

#### 2 QSEMC AND REGIONAL MONITORING BACKGROUND

- 2.1 The QSEMC is a forum for stakeholders to meet on an annual basis and present data, and to discuss and consider socio-economic impacts and benefits of mining and other projects in the Qikiqtaaluk Region.
- 2.2 The QSEMC reviews the Program results annually, including the consideration of areas of mutual interest and socio-economic monitoring priorities as identified by the Working Group.
- 2.3 The QSEMC supports a collaborative monitoring framework by providing data to support socio-economic impacts monitoring, and providing recommendations related to socio-economic monitoring and mitigation.

### **3 WORKING GROUP MEMBERSHIP AND MEMBER ROLES AND RESPONSIBILITIES**

- 3.1 The Working Group consists of:
  - a. At least one Baffinland representative (who is chair of a meeting if it relates to Project monitoring);
  - b. At least one Government of Nunavut representative (who is chair of a meeting if it relates to territorial monitoring);
  - c. At least one Government of Canada representative; and
  - d. At least one Qikiqtani Inuit Association representative.
- 3.2 Each member is responsible for the costs they incur to participate in activities of the Working Group.
- 3.3 Baffinland will:
  - a. identify indicators and share Project-specific data that relates to the Program, which will include preparing a socio-economic monitoring plan and methodology (to be presented in the annual Program Report or other relevant document);
  - b. participate in the collaborative analysis and interpretation of data for reporting purposes;
  - c. present for review the effectiveness of Baffinland's socio-economic mitigation measures; and
  - d. prepare and provide presentations summarizing annual Program report findings and conclusions for the QSEMC.
- 3.4 The Government of Nunavut will:
  - a. identify indicators and share government-sourced data that relates to the Program and other QSEMC reporting requirements;
  - b. participate in the collaborative analysis and interpretation of data for reporting purposes; and
  - c. review the effectiveness of Baffinland's socio-economic mitigation measures.

3.5 The Government of Canada will:

- a. identify indicators and share applicable socio-economic data from the Nunavut General Monitoring Plan;
- b. participate in the collaborative analysis and interpretation of data for reporting purposes; and
- c. review the effectiveness of Baffinland's socio-economic mitigation measures.

3.6 The Qikiqtani Inuit Association will:

- d. identify indicators and share applicable QIA-sourced socio-economic data that relate to the Program;
- e. participate in the collaborative analysis and interpretation of data for reporting purposes; and
- f. review the effectiveness of Baffinland's socio-economic mitigation measures.

3.7 Collection, use, and disclosure of information and data under these Terms of Reference, by each member of the Working Group, is subject to any rules governing the collection, use, and disclosure of personal and/or confidential information and data, applicable to each member respectively, in accordance with the provisions of any privacy legislation or corporate policies. This obligation survives the dissolution of the Working Group and the existence of the Project.

3.8 The Parties acknowledge that:

- a. Baffinland is best able to collect and provide data concerning workforce information, employment, training and procurement in relation to the Project;
- b. the Government of Nunavut and the Government of Canada are best able to collect and provide public statistics on general health and well-being, food security, demographics and other socio-economic indicators at the community and territorial level; and
- c. The Qikiqtani Inuit Association is best able to provide information and data relating to Inuit land use and culture at the community and regional level.

## **4 WORKING GROUP MANDATE**

4.1 The Working Group aims to support the development and execution of the Program framework and to undertake collaborative monitoring in order to identify and access data in relation to the Program. This data may be useful for improving the socio-economic performance of the Project. Collaborative monitoring will involve combining Project-specific performance data with data generated or provided by other members of the Working Group (or other sources, as appropriate) in order to support adaptive management measures implemented by the Working Group members, and to minimize adverse effects and maximize benefits from the Project. The Working Group will act as a forum for addressing technical aspects of the Program, with the

objective that any issues raised on the Program will be dealt with directly by the Working Group itself. However, the NIRB will still function as an oversight body who may intervene when key issues cannot be resolved. For greater clarity, the Working Group will act in an advisory manner only and the decisions of it or its members will not be considered binding upon Baffinland.

- 4.2 The Working Group shall monitor the Program by analyzing the monitoring data in order to assess the accuracy of socio-economic impact predictions made in the Final Environmental Impact Statement (FEIS) of the Project; assess the effectiveness of current practices to mitigate adverse effects and enhance positive effects of the Project; obtain early warning should mitigation measures or measures to enhance positive effects not be achieving their intended outcome; and provide timely detection of unanticipated outcomes.
- 4.3 The Working Group aims to improve understanding of prioritized socio-economic issues in order to increase confidence in socio-economic assessment predictions.
- 4.4 The Working Group will provide monitoring data and objective analysis in a manner that is collaborative, focused, efficient and cost-effective.

## **5 REPORTING AND COMMUNICATION**

- 5.1 Following Project Certificate issuance and Baffinland's decision to proceed with Project construction, Baffinland will prepare an annual socio-economic report for the Project (the "Program Report"), which will be attached to its Annual Report submission to the NIRB. Annual Program Reports are due for submission to NIRB on March 31 of each year, containing data with respect to the previous calendar year (January to December) and may be presented at the Project, community, and/or regional scale of operations. The Program Report will further describe Baffinland's participation on the QSEMC, other collaborative socio-economic monitoring processes, and other relevant activities related to understanding socio-economic processes.

## **6 MEETINGS**

- 6.1 Following Project Certificate issuance and Baffinland's decision to proceed with Project construction, the Working Group will meet for as long as the Project remains in either its construction, operation, or closure phases.
- 6.2 The Working Group will meet at least once per year for the purposes of reviewing and providing direction on the development of the Program Report. This annual meeting is anticipated to occur in person concurrently with annual QSEMC meetings. Additional

meetings can occur in person or via teleconference if agreed to by all parties. Results and plans related to the annual Program Report will be discussed so that Working Group members have opportunities to provide feedback. Baffinland will endeavor to work collaboratively with Working Group members to address any issues that are raised.

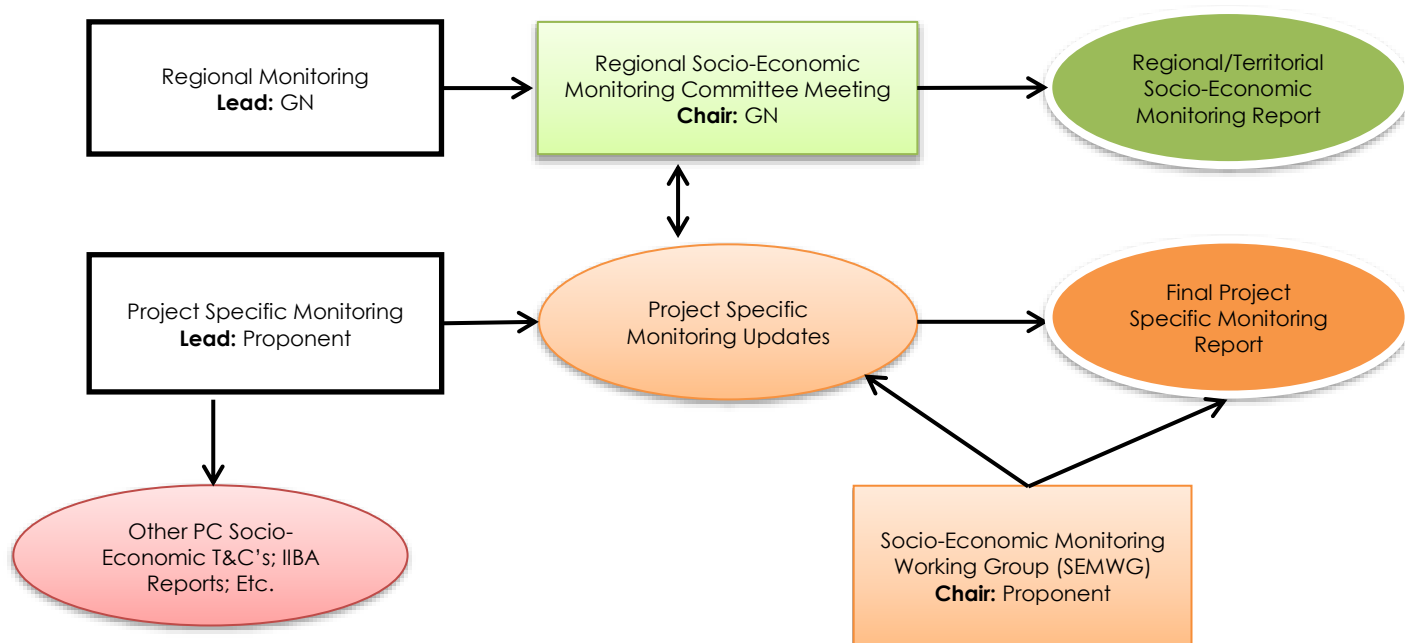
6.3 The Working Group will attempt to meet at least once a year for its members to engage in the analysis and interpretation of data to support the QSEMC Report. This meeting may occur concurrently with one of the meetings identified in Section 6.2.

6.4 The meeting schedule may be changed if agreed to in writing by all members of the Working Group.

6.5 The Working Group will endeavor to meet in-person whenever practical. However, recognizing Nunavut's unique logistical challenges and the competing deadlines involved in reporting, teleconferences and email circulation will also satisfy meeting requirements if agreed to in writing by all members.

## 7 RELATIONSHIP WITH REGIONAL AND TERRITORIAL MONITORING

7.1 The diagram below outlines the relationship between Project-specific monitoring and regional/territorial monitoring, and their respective reporting requirements:



## **8 PROJECT CLOSURE**

### **8.1 Mine Closure**

Baffinland will consult the Working Group and QSEMC two (2) years in advance of the expected date of closure for the Project in order to better inform Project-specific socio-economic closure planning, and to keep the Working Group and QSEMC informed of the progress of planning leading up to the submission of any required Project-specific socio-economic management/closure plans, submitted under the final closure plan. Planning will detail any specific measures that may mitigate, at least to some extent, the potential for negative effects as a result of Project closure.

### **8.2 Premature Mine Closure**

In the event of premature (temporary or final) closure of the Project, Baffinland will consult with the Working Group and QSEMC before submitting any required Project-specific socio-economic management/closure plans.

## **9 RELATION TO IIBA OBLIGATIONS**

9.1 The parties recognize that this Terms of Reference is separate from any obligations under the IIBA between Baffinland and the Qikiqtani Inuit Association and that the mandate of the Working Group shall not include monitoring of the IIBA.

9.2 Any sharing of confidential or commercially sensitive information with the Working Group related to the IIBA will be solely by agreement of the Qikiqtani Inuit Association and Baffinland.

## **10 REVIEW OF TORs**

These Terms of Reference may be reviewed by the Working Group periodically and at least once every two years for any required changes that may be applicable as the Project evolves from construction, through operations and closure. Similarly, as any other exploration or mine development activities of Baffinland are approved within the Qikiqtaaluk Region, these Terms of Reference may be reviewed and amended as necessary to accommodate additional terms and conditions applicable to the Project that may be issued by NIRB as part of a Project Certificate(s). Any changes to the Terms of Reference will be agreed to by Working Group members in writing.

## **11 ENDORSEMENT**

These Terms of Reference have been endorsed by the Working Group members via email on;

Qikiqtani Inuit Association  
Chantelle Masson, 2019-03-08

Government of Nunavut  
Chantelle Masson, Economic Development and Transportation, 2018-08-07

Government of Canada  
David Abernathy, CIRNAC, 2018-06-27

Baffinland Iron Mines Corporation:  
Andrew Moore, 2018-06-27