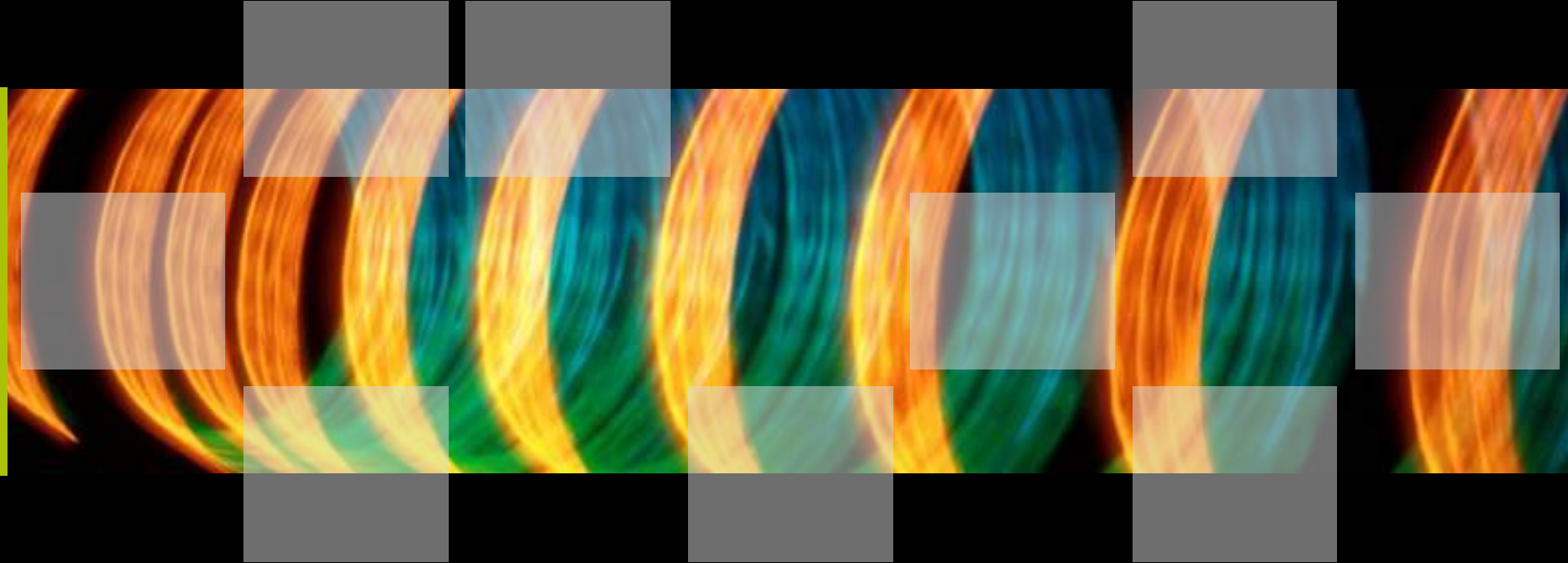


MINING SECTOR EMS STATUS *and implications for the new* **ENVIRONMENTAL PENALTIES REGULATION**



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Session Overview

- Environmental Penalties Regulation
- Current EMS Status in Mining Sector
- Implications and Opportunities

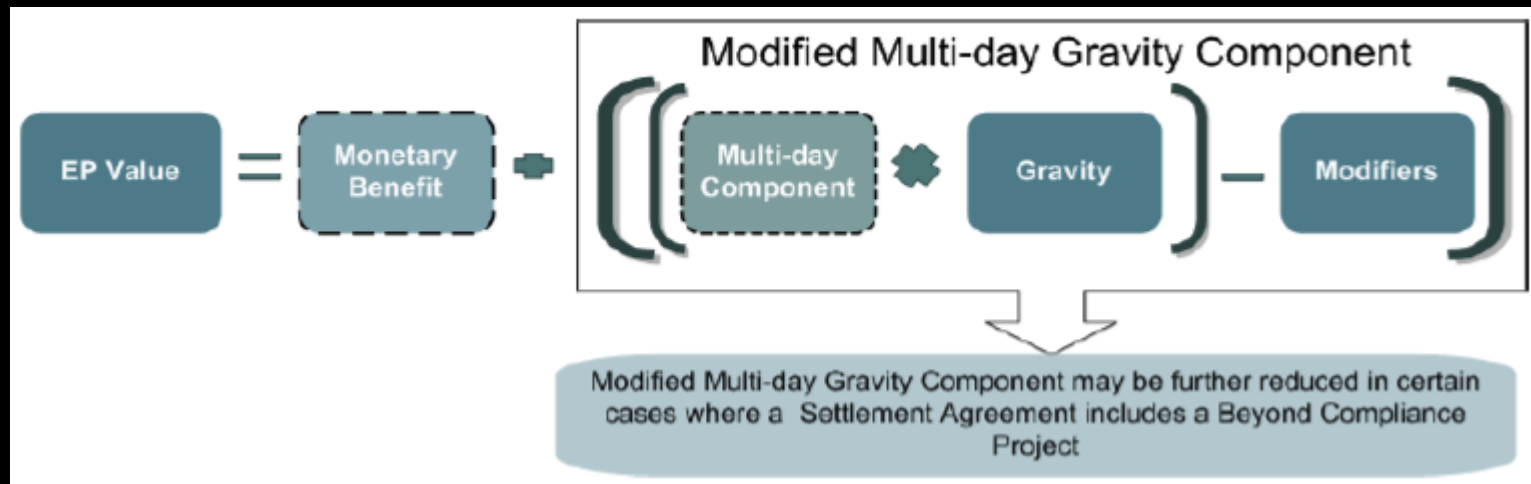
Environmental Penalties Regulation

- **Regulation** - *Environmental Penalties (O Reg 222/07)*
- **Date** - *Effective August 1, 2007 (Phase 1)*
- **Application** – *MISA Regulated Facilities (i.e. O Reg 560/94)*
- **Triggers** – *spill, discharge or other environmental violation*
- **Objective** – *encourage rapid mitigation, return to compliance and improved performance*
- **Mechanism** - *'Administrative' penalties assessed by MOE Director*
- **Courts** - *Does not exempt facility from other fines and prosecution*

Environmental Penalties Process

- **NOI** - *EP Notice of Intent (1 to 60 days of MOE review)*
- **Review** - *EP review period (15 days from NOI)*
- **Order** - *issuing EP order (16 days to 1 year from initiation)*
- **Appeal** - *appeal process (within 15 days of EP Order)*
- **Payment** - *EP payment (within 60 days of EP Order)*

Calculating the EP Amount



Environmental Penalty Amounts

Type of Consequence	Type of Violation		
	Type 1	Type 2	Type 3
Less Serious	\$1,000 – 2,500	\$10,000 – 15,000	\$15,000 – 25,000
Serious	\$2,500 – 5,000	\$20,000 – 30,000	\$30,000 – 50,000
Very Serious	\$5,000 – 10,000	\$40,000 – 60,000	\$60,000 – 100,000

Maximum of \$ 100,000 per day per violation

Environmental Penalty Reductions

Reductions available to Multi-day Gravity Component if organization can demonstrate:

- Specified Preventative Steps (up to 20%)
- Specified Mitigative Steps (up to 10 %)
- Specified EMS in place (5%)

MISA Industry Sector EMS Study

- Background study of current state of EMS in MISA sectors
- Conducted scripted telephone survey (2006)
- Trained staff, quantitative scoring, analyzed results
- 79% participation (107 of 135 facilities)
- 35 metal mining facilities participated

Select MISA Sector EMS Study Findings

EMS Factor	Metal Mining	MISA Average
'Certified EMS'	20%	49%
Non-certified EMS	63%	39%
No EMS	17%	11%
Annual internal EMS audits	37%	63%
Annual external EMS audits	37%	62%
Periodic env. compliance audits	63%	70%
EMS 'robustness' indicator	63%	77%

Metal Mining Sector EMS Implications

Results indicate sector tends towards:

- Informal environmental management practices
- Few documented environmental procedures
- Minimal environmental records and defined retention
- Less 'systematic' approach

Metal Mining Sector Opportunities

More formalized and systematic Environmental Management practices such as:

- Prioritized environmental risks and associated controls / monitoring
- Documented and controlled environmental procedures and records
- Defined roles, responsibilities and authority
- Internal checking
- Incident investigation and corrective action process

Metal Mining Sector Opportunities

A 'Robust' EMS will deliver:

1. Lower probability of an EP incident
2. *Should an incident occur, then*
 - 5% EMS reduction
 - Up to 20 % preventative measures reduction
 - Up to 10 % mitigative measures reduction